PARLIAMENTARY DEBATES

(HANSARD)

SIXTH SERIES—VOLUME 538 (Part 1)

HOUSE OF COMMONS

OFFICIAL REPORT

FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT
OF THE UNITED KINGDOM OF GREAT BRITAIN
AND NORTHERN IRELAND
SIXTIETH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SESSION 2010–2012

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10 January 2012

THE PARLIAMENTARY DEBATES

OFFICIAL REPORT

IN THE FIRST SESSION OF THE FIFTY-FIFTH PARLIAMENT OF THE UNITED KINGDOM OF GREAT BRITAIN AND NORTHERN IRELAND
[WHICH OPENED 18 MAY 2010]

SIXTIETH YEAR OF THE REIGN OF
HER MAJESTY QUEEN ELIZABETH II

SIXTH SERIES **VOLUME 538**

TWENTY-NINTH VOLUME OF SESSION 2010-2012

House of Commons

Tuesday 10 January 2012

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

HEALTH

The Secretary of State was asked—

Hospital Volunteers

1. **Mary Macleod** (Brentford and Isleworth) (Con): What his policy is on the use of volunteers in hospitals. [88266]

The Minister of State, Department of Health (Paul Burstow): The coalition Government recognise the tremendous contribution that volunteers play in enhancing quality and experience in health and social care, including within hospitals. We are working with partners, including the National Association of Voluntary Service Managers, to strengthen this role during service reform.

Mary Macleod: Mr Speaker, may I wish you and the House a very happy and healthy new year?

I thank the Minister for his response. I recently attended the local volunteering awards in the West Middlesex hospital in my constituency. Almost 400 volunteers do great work for patients and the hospital. What financial assistance is available to hospitals to support these volunteering projects?

Paul Burstow: I very much agree with the hon. Lady about the need for NHS trusts to consider their stance on volunteering. Indeed, I suspect Members of all parties have visited hospitals and worked with friends organisations over the Christmas period and have seen the good work that volunteers do in our hospitals. Our aim is to make sure that NHS trusts and commissioners of health and social care have the tools and information they need to make good judgments about investing in volunteering. That was the purpose of the volunteering strategy that we published last year.

Graeme Morrice (Livingston) (Lab): We all recognise the huge contribution that volunteers make to the NHS, so will the Minister take this opportunity to recognise the contribution of Clive Peedell, the co-chair of the NHS Consultants Association, who is taking part in Bevan's run today, highlighting concerns among the medical profession about the impact of the dreadful Health and Social Care Bill?

Paul Burstow: I would certainly wish that gentleman well with his run. I am sure that the contribution he makes through that charitable act is one that will stand us all in good stead in due course.

Sir Bob Russell (Colchester) (LD): Is there a conflict between the big society, volunteers and localism if major retail stores are brought into hospitals to the detriment of friends organisations?

Paul Burstow: My hon. Friend raises an important point. I am aware that it is a matter of concern that over a number of years some hospitals have chosen not to use the WRVS or friends organisations' services. These decisions have to be made by local NHS trust boards, but the purpose of the strategy we published last year is very much to make sure that when the boards make

these decisions they are focused on the benefits—the benefits of volunteering for the volunteer, the organisation and the patients.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): What is the Minister's assessment of the number of unpaid interns working in the NHS?

Paul Burstow: As far as I am aware, no assessment has been made to analyse the number of unpaid interns. What is very clear, however, is that when NHS organisations are using people to provide services as volunteers, that is clearly separate from what would be regarded as paid employment. That is clear in the strategy we set out last year and clear in the advice and guidance provided by the Cabinet Office as well.

Access to Drugs

2. **Graham Evans** (Weaver Vale) (Con): What recent representations he has received on access by NHS patients to drugs invented and developed in UK laboratories; and if he will make a statement. [88267]

The Secretary of State for Health (Mr Andrew Lansley): Representations received have strongly supported the Government's "Strategy for UK Life Sciences", which was published on 5 September. Speeding up clinical trials approval, enabling the unique NHS clinical databanks to support research, the early adoption of new medicines and other initiatives will bring NHS patients the fullest benefit from innovation and will promote growth in UK biosciences.

Graham Evans: What steps are being taken towards closer collaboration between the NHS, industry and our world-class universities to drive improvement and innovation in the NHS for the benefit of current and future NHS patients?

Mr Lansley: I am grateful to my hon. Friend. He rightly highlights an area where we are clear that innovation can be considerably supported, and not only by the academic health science centres, which were established under the last Government. As the life sciences strategy set out in early September made clear, we want to create academic health science networks across the NHS so that higher education, industry and the NHS can work together to bring about the greatest possible innovation to the benefit of patients.

Mr Kevin Barron (Rother Valley) (Lab): The current pharmaceutical price regulation scheme is able to recognise the fact that pharmaceutical companies based here and developing drugs here should be paid a little bit more for their drugs by the NHS on the basis of their worth for the general economy. Will the Secretary of State tell us whether his proposals for value-based prices will affect that?

Mr Lansley: The right hon. Gentleman will be aware that the existing PPRS does not in any sense directly fund innovation in the United Kingdom. Although it takes account of expenditure on innovation, it cannot identify that expenditure in the United Kingdom as a beneficiary through pharmaceutical pricing. As the right hon. Gentleman knows, we are continuing to discuss with the industry the shape of value-based pricing from January 2014, the purpose being to ensure that we fund the value associated with new medicines: the therapeutic value to patients, the innovative value—which will highlight the UK as a base for research and development—and the societal value.

Paediatric Cardiac Services

3. **Jason McCartney** (Colne Valley) (Con): If he will take steps to ensure that the safe and sustainable review of paediatric cardiac services is fully inclusive. [88268]

The Minister of State, Department of Health (Mr Simon Burns): The review of children's congenital heart services is a clinically led NHS review, independent of Government. In conducting it, the Joint Committee of Primary Care Trusts has aimed to be as inclusive as possible in relation to all issues.

Jason McCartney: The Minister will be aware that the review has been called into question because the consultation has not encompassed other medical conditions such as respiratory problems. Will he intervene so that a consensus approach can now be taken?

Mr Burns: As I have said, the review is clinically led and independent of Government, and I am afraid that it would not be appropriate for me, or my colleagues, to intervene. Moreover, the review is the subject of legal proceedings. It will be for the Joint Committee of Primary Care Trusts, on behalf of local commissioners, to decide the future pattern of children's heart services on the basis of the best available evidence.

Greg Mulholland (Leeds North West) (LD): It seems nonsensical to deal with the provision of surgical services for adult and child congenital cardiac patients in separate reviews. Given the delay in the review of children's services, does the Minister not agree that it is time to consider including them in the forthcoming review of adult services?

Mr Burns: I am grateful to the hon. Gentleman for his suggestion, but I am afraid that I do not share his view. As he knows, there will be a review of adult services, but it has always been considered most appropriate to deal with paediatric cardiac services before adult care, and that is what we will continue to do.

Dr Julian Lewis (New Forest East) (Con): Although the paediatric heart unit at Southampton general hospital is rated the best in the country outside London, it was included in only one of four options under the review. In the past, the Minister has helpfully hinted he might not be confined to considering only those four options. Can he expand on that?

Mr Burns: I can expand on it by saying that it will not be me who considers the options. As I have told my hon. Friend before, this is an independent review. However, as he suggests, the JCPCT may decide on four, six or seven possible sites. It all depends on what the consultation produces, and the clinical decision on what is the most appropriate number of sites, which will happen eventually.

I congratulate my hon. Friend on his championing of Southampton general hospital as the local Member of Parliament.

Cancer Drugs Fund

4. **Mr David Evennett** (Bexleyheath and Crayford) (Con): What recent representations he has received on access to the cancer drugs fund; and if he will make a statement. [88269]

The Secretary of State for Health (Mr Andrew Lansley): We have received a number of supportive representations regarding the cancer drugs fund. Indeed, the Rarer Cancers Foundation recently praised the fund for making additional cancer drugs available to almost 10,000 patients in England since October 2010. It contrasted that access to medicines in England with the lack of such access in Wales.

Mr Evennett: My right hon. Friend has cited the view of the Rarer Cancers Foundation. Does he agree that this policy has put patients and doctors back at the heart of decision making, and has transformed the ability of cancer patients to obtain clinically effective treatment so that they can gain precious extra time with their families?

Mr Lansley: My hon. Friend is absolutely right. In the summer of 2010, we learnt from Sir Mike Richards's review that patients in this country were less likely to have access to the latest cancer medicines within five years of their introduction than those in many other European countries. I am proud that so far the coalition Government have been able, through the cancer drugs fund, to help 10,000 patients to gain access to the latest cancer medicines.

Jim Shannon (Strangford) (DUP): I thank the Minister for that response. Last year, Cancer Research UK revealed that cancer deaths were down 20% since 1985 and survival rates have doubled in the last 40 years. Does the Minister agree that we must continue to research proactively and thereby continue to reduce deaths and ensure continuity of life?

Mr Lansley: I am grateful to the hon. Gentleman, and he is absolutely right about that, of course. He will also be aware that Cancer Research UK highlighted not only the progress that had been made, but the variation in progress on different cancers. Harking back to the earlier point about innovation, we must focus on how some of these innovations will enable us to deliver improved survival rates for specific cancers, and I announced last month that we would be funding additional scanner facilities in this country—proton beam therapy scanning interventions—in order to enable some of the most difficult cancers, such as brain cancers in children, to be treated in this country effectively.

Duncan Hames (Chippenham) (LD): A cancer patient in my constituency faces an avoidable further round of chemotherapy having waited for the strategic health authority to make an individual funding request decision on the drug Plerixafor, which is not included in the cancer drugs fund. Will the Minister consider broadening the scope of the cancer drugs fund to include such drugs that are critical in cancer patients' care, in addition to their other uses?

Mr Lansley: I should be grateful if my hon. Friend would write to me about that. The cancer drugs fund is focused on an identified lack of access to cancer medicines, but if a drug is of particular benefit to a cancer patient, such as in the instance he describes, it should be possible for SHA panels to include it within the scope of the fund.

Valerie Vaz (Walsall South) (Lab): Will the Secretary of State confirm whether those receiving treatment under the cancer drugs fund will also be guaranteed treatment under the new scheme?

Mr Lansley: The intention is that from January 2014 as new medicines are introduced through the value-based pricing system, the reimbursement price in the NHS will reflect their value and therefore, by extension, they will all be available through the NHS.

NICE-approved Drugs

5. **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): What steps he is taking to ensure drugs approved by the National Institute for Health and Clinical Excellence are made available to all patients in the NHS. [88270]

The Secretary of State for Health (Mr Andrew Lansley): The NHS is required to fund drugs and technologies recommended in NICE technology appraisals, in line with the NHS constitution. The NHS chief executive's report "Innovation, Health and Wealth" sets out plans for the introduction of a compliance regime to ensure rapid and consistent implementation of NICE technology appraisal recommendations throughout the NHS.

Stephen Metcalfe: I greatly welcome the Government's recent announcement on swift and proper implementation of NICE guidance that allows patients access to innovative treatments. In order for cost-effective treatments to secure NICE guidance approval, in the first instance will the Secretary of State ensure that NICE's methodology review reinforces the importance of appraisal appropriately reflecting clinical practice when assessing new treatments?

Mr Lansley: I am grateful to my hon. Friend, who clearly understands that NICE is responsible for the methods it uses in the development of its guidance and that it is undertaking a review of its appraisal methods. I expect that that will be published for consultation this year. NICE should issue final guidance only after careful consideration of the evidence and public consultation with stakeholders, including patient and professional groups.

John Healey (Wentworth and Dearne) (Lab): It is sometimes hard to follow the Secretary of State as he can get lost in his own jargon. Just to be clear: if NICE says that a drug should be available to patients on the NHS wherever they live and whatever their clinical commissioning group, will they get it? Can he give that guarantee today?

Mr Lansley: The right hon. Gentleman knows perfectly well that that did not happen under the last Government. The NHS chief executive's innovation report of early December made it clear that we will make certain that when NICE gives a positive appraisal for a medicine, it is automatically included in formularies, and also that we will establish an effective compliance regime in respect of NICE appraisals and establish a new NICE implementation collaborative to make it happen. As the right hon. Gentleman knows perfectly well, the legislation is clear: when NICE gives a positive appraisal, a medicine should be available across the NHS. That was not achieved under his Government. We will achieve that, and the NHS chief executive is setting out to show how that will happen in the future.

Mr Marcus Jones (Nuneaton) (Con): Under the current regime of primary care trust commissioning, my constituents in Warwickshire often complain to me that drugs approved by NICE are not always available locally but are available in neighbouring commissioning areas. What steps are being taken to ensure that new NHS commissioning boards and local commissioning groups promote the NHS constitution and the right of patients to access NICE-approved drugs?

Mr Lansley: My hon. Friend makes exactly the right point, in that what the last Government said happened did not happen: such medicines were not available, and there was a postcode lottery in accessing many of them. That, among other reasons, is why the chief executive of the NHS published his report, which will introduce the NICE compliance strategy. We will require all NICE technology appraisals to be incorporated automatically in the local drug formularies, and the NICE implementation collaboration will support the prompt implementation of NICE guidance.

Fiona Mactaggart (Slough) (Lab): Last week in my constituency, a community pharmacist refused to issue a blind patient with dosage packs unless they paid an additional fee. What redress will such patients have in the newly reorganised NHS regarding actions such as this by community pharmacists, which in my view are against the Disability Discrimination Act?

Mr Lansley: I should be grateful if the hon. Lady wrote to me about that case and gave me the opportunity to look at it, which I would be pleased to do. From my point of view, we do not countenance such requirements, through charging, denying patients access to any NHS treatment.

David Tredinnick (Bosworth) (Con): In addition to approving drugs, NICE has also approved acupuncture for lower back pain. Should this not be widely available on the health service now?

Mr Lansley: Of course, my hon. Friend will know very well that choice of treatment is a shared decision between patients and their clinicians. NICE appraisals are about whether treatments are available in the NHS and giving information to clinicians about their relative clinical and cost-effectiveness, not prescribing that treatments should be available in specific circumstances.

Fuel Poverty

6. **Nick Smith** (Blaenau Gwent) (Lab): What discussions he has had with ministerial colleagues on the effects of fuel poverty on health. [88271]

The Parliamentary Under-Secretary of State for Health (Anne Milton): I and my officials have worked closely with the Department of Energy and Climate Change on the development and implementation of the cold weather plan for England, which aims to reduce the health impacts of cold weather on vulnerable people. We have also put £30 million into the warm homes healthy people fund to fund local authority projects to reduce the impact of cold weather.

Nick Smith: The Marmot report confirmed that cold homes are bad for our health. My local newspaper has highlighted the case of a low-income working family who have to choose between food and heat every day, with no help from their energy provider. Will the Minister ensure that energy companies do more to tackle fuel poverty, so that the NHS does not have to foot the bill for their profit?

Anne Milton: As I said, my colleagues in DECC are working closely with the energy companies. I point out to the hon. Gentleman that this coalition Government are the first to put in place the cold weather plan to reduce those 27,000 excess winter deaths. Perhaps his local paper would like to contact the Welsh Assembly Government to see what they are doing.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): Fuel poverty clearly shows the link between housing, health care and well-being. Last week, the Prime Minister called for a merger of health and social care. Does the Minister agree with me that if we are to have a true merger of health and social care, housing—through health and wellbeing boards and other mechanisms—has to be a key ingredient of that?

Anne Milton: Of course, my hon. Friend is absolutely right that the integration of health and social care is critical, particularly for issues such as this. The changes we are making to public health and the movement of public health into local authorities will only ensure better integration, so that we can reduce those 27,000 excess deaths.

Suicide Prevention

7. **Mrs Madeleine Moon** (Bridgend) (Lab): What research his Department has undertaken on the prevention of suicide. [88272]

The Minister of State, Department of Health (Paul Burstow): The Department of Health funds the national confidential inquiry into suicide and homicide by people with mental illness. The Department is funding an investigation of self-harm, and the National Institute for Health Research is funding a range of further research relevant to suicide prevention.

Mrs Moon: The Minister will be aware that core funding for research into the causes, effects and geographical spread of suicide and its frequent precursor, self-harm,

is essential. More than 200,000 people present at accident and emergency with self-harm. I am very concerned to hear that the ongoing funding for the multi-centre study of self-harm is potentially at risk. Will he agree to meet me and the research project leads to discuss this and ensure that that research continues?

Paul Burstow: The hon. Lady chairs the all-party group on suicide and self-harm prevention. She does a lot of important work in this House in that regard, and I would be only too happy to talk to her about research priorities in this area. The Government are examining the research priorities to support the new strategy, which we plan to publish in the near future.

Mr James Gray (North Wiltshire) (Con): I pay tribute to the hon. Member for Bridgend (Mrs Moon), who has done fantastic work on the prevention of suicide. It is not the Department of Health's job to regulate the worldwide web, but what work has the Department done on examining the link between the watching of violent websites—and, indeed, looking at websites that promote or facilitate suicide—and the actual carrying out of suicide?

Paul Burstow: My hon. Friend makes a very important point, which has been raised by a number of charities, including Papyrus, during the consultation on the draft strategy. It is important to stress that the internet industry has been willing to engage in positive initiatives, not the least of which is Facebook and Google's work with the Samaritans to make sure that whenever anyone types in "suicide" a link to the Samaritans always appears first. However, more needs to be done and we need the industry to tackle those darker sides of the internet to make sure that they do not prey on vulnerable people and do not peddle suicide.

Robert Flello (Stoke-on-Trent South) (Lab): Given the crucial role that the chief coroner was to have had in monitoring and advising the Department of Health on the incidence of suicide across the nation, will the Minister liaise with the Lord Chancellor to ensure that a chief coroner is appointed speedily and that powers are put in place quickly to make sure that this work can be done?

Paul Burstow: I will certainly pass on the hon. Gentleman's request.

Telecare and Telehealth Services (Congleton)

8. **Fiona Bruce** (Congleton) (Con): When he expects residents in Congleton constituency to benefit from investment in telehealth and telecare services by the NHS. [88273]

The Secretary of State for Health (Mr Andrew Lansley): I am pleased to say that patients in Congleton who have health conditions such as heart failure or chronic respiratory disease can already benefit from these technologies. I am committed to supporting the use of telehealth and telecare services by working with industry to improve the lives of 3 million people across the country who are living at home with long-term conditions.

Fiona Bruce: I thank the Secretary of State for that reply, and indeed innovative schemes in my constituency and across the Cheshire East council area, such as DemenShare, are already using this technology. But what other schemes and advances will the Government introduce for an area that has the highest level of elderly people per population head in the north-west of England and where the number of over-65s will grow by 50% and the number of over-85s is set to more than double by 2025?

Mr Lansley: I am grateful to my hon. Friend for her question. She rightly talks about this increasing number of older people in the community and rightly says that we want to support them to be independent and to improve their quality of life.

The whole system demonstrator programme was the largest trial of telehealth systems anywhere in the world. In the three pilot areas of Kent, Cornwall and Newham, it demonstrated a reduction in mortality among older people of 45%; a 21% reduction in emergency admissions; a 24% reduction in planned admissions to hospital; and a 15% reduction in emergency department visits. Those are dramatic benefits, which is why we are so determined to ensure, over the next five years, that we reach out to older people who are living at home with long-term conditions and improve their quality of life in this way.

Group B Streptococcus

9. **Mr Philip Hollobone** (Kettering) (Con): If he will consider proposals to introduce a national screening programme to detect group B streptococcus in pregnant women. [88274]

The Parliamentary Under-Secretary of State for Health (Anne Milton): The UK National Screening Committee is reviewing the evidence for screening for group B streptococcus carriage in pregnant women, and I am sure that my hon. Friend will be pleased to hear about that. The committee will review the international literature, and a public consultation on the results will open in spring 2012.

Mr Hollobone: Group B streptococcus is the UK's most common cause of life-threatening infection for newborn babies. Will my hon. Friend agree to meet me and Group B Strep Support, the excellent campaign group, to see how calls for a national screening programme might best be advanced?

Anne Milton: I am certainly happy to meet my hon. Friend. I should point out that the Royal College of Obstetricians and Gynaecologists is updating its guidelines and that NICE is also developing guidance. The issue is complex, however, and even testing is not 100% effective. Women who produce a positive result during pregnancy might be negative during labour and, more importantly, those who are negative during pregnancy might be positive during labour. It is important that we get the most up-to-date evidence and ensure that we reduce the tragic consequences of this infection.

Dame Joan Ruddock (Lewisham, Deptford) (Lab): I welcome the Minister's statement, but may I urge her to consider carefully the kind of testing, as the false negatives and positives to which she refers come with the current

testing and there are better tests? About 340 babies are affected every year of which one in 10 dies and one in five is permanently disabled. This is a very serious matter and I hope she will do all she can to deal with it.

Anne Milton: I will certainly do all I can to deal with it. As the right hon. Lady says, the consequences are tragic but this is a complex area that has changed quite rapidly. I think the US is now at a similar level of infection to us, but what remains a challenge is ensuring that we have an effective test that does not produce false positive or, more seriously, false negative results and that we have effective treatment that works in 100% of cases.

NHS Reorganisation Cost

10. **Steve McCabe** (Birmingham, Selly Oak) (Lab): What recent estimate he has made of the cost to the public purse of NHS reorganisation. [88275]

The Minister of State, Department of Health (Mr Simon Burns): The cost of the NHS modernisation is estimated to be between £1.2 billion and £1.3 billion. That will save £4.5 billion over this Parliament, and £1.5 billion per year thereafter. We will reinvest every penny saved in front-line services.

Steve McCabe: I am grateful for that answer. The Minister will be aware that the figure he has given is about half what the primary care trusts believe they are required to keep back to fund the reorganisation: they put it at £3.4 billion. Given his answer today, will he write to South Birmingham primary care trust to tell it that it no longer has to hold back £25 million for that purpose and that it can use that money to cut the 18-week waiting list, which has risen by 36% since he assumed office?

Mr Burns: May I say, in the nicest possible way, that I think the hon. Gentleman is a tiny bit confused? I think he is confusing the one-off costs of the modernisation with the 2% hold-back figures used by the PCTs, which put aside money—a process instigated by the right hon. Member for Leigh (Andy Burnham), which we carried on—that can be used if a PCT gets into financial problems. If it does not get into financial problems, it can then use the money to invest in front-line services.

Mr Peter Bone (Wellingborough) (Con): The Conservative-led coalition should be congratulated on introducing a measure that will get rid of red tape and bureaucracy by getting rid of strategic health authorities and primary care trusts. Do the Labour Opposition not look like dinosaurs when they try to defend those bodies?

Mr Burns: I am very grateful to my hon. Friend and I am always reassured when he congratulates the coalition Government, as it suggests to me that we are getting something right. My hon. Friend is absolutely right. As everyone who understands health policy in this country recognises, the NHS must evolve to meet changing needs and we are improving effectiveness and efficiency and saving money by cutting out administration and bureaucracy so that we can reinvest in front-line services to look after the health interests of all our constituents.

Andrew Gwynne (Denton and Reddish) (Lab): Figures revealed to the Opposition under freedom of information procedures show that GPs will receive up to £115 an hour for commissioning health care services on top of their existing salary. It makes no sense at all to take GPs away from patient care to become part-time accountants. When the NHS needs every penny it can get, patients will be astounded to hear that the Government plan to pay GPs twice. This comes at a time when 48,000 nursing posts are being axed and £3.5 billion is being set aside for the Minister's bureaucratic upheaval. Will he now accept that the NHS can ill afford for money to be wasted on a top-down reorganisation that few want? Is it not now time for him to scrap the Bill?

Mr Burns: It is nice that the hon. Gentleman got the mantra in at the end—I have been expecting it all through this Question Time. He is wrong; what is important and what this modernisation has at its heart is the need for GPs to commission care for patients, because GPs are best equipped to know the needs of their patients. That is the way forward. Also, we are cutting bureaucracy and administration by 45% so that we can reinvest that money in front-line services. We want to spend money on health care and on improving outcomes, not on managers and bureaucracy.

John Pugh (Southport) (LD): May I congratulate the Secretary of State and the Prime Minister on the productive ward initiative? The NHS document "Top Tips for spreading The Productive Ward" says:

> "Set a realistic time scale. Take your time and do not rush. Take small steps and complete them before moving on to the next."

Is this advice generally applicable to NHS reform?

Mr Burns: As the hon. Gentleman recognised at the beginning of his question, this is important and excellent advice for nurses and other health care professionals to give care, consideration and attention to all patients so that they can be looked after in an appropriate and caring way. That is the way forward to making the health service more responsive to the needs of patients and to the improvement of health outcomes.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): What assessment has the Minister made of the impact of the NHS reorganisation on waiting times?

Mr Burns: The hon. Lady raises an extremely important point. The whole purpose of the modernisation of the NHS is to enable it to meet the challenges of an ageing population, an increased drugs bill and new medical procedures, so that we can ensure that patients get their treatments, within the responsibilities of the NHS constitution, and do not have to wait undue lengths of time for treatment.

Health and Social Care Bill

11. **Chris Ruane** (Vale of Clwyd) (Lab): What recent representations he has received on the Health and Social Care Bill. [88276]

The Minister of State, Department of Health (Mr Simon Burns): The Government have listened to representations throughout the passage of the Health and Social Care

Bill. In addition to the consultation on the White Paper, the NHS Future Forum has undertaken two engagement exercises. The first involved 6,700 people directly and received more than 28,000 comments and e-mails, and the second involved more than 12,000 people at more than 300 events. Ministers have also continued to meet and to receive representations from a range of interested parties on a regular basis, and we will continue to do so.

Chris Ruane: I thank the Minister for that response. May I ask what specific representations he has had on children's well-being? Is he aware that the Children's Society will this Thursday publish its 2012 "Good Childhood" report, which will include a specific report on how central and local government could improve and promote positive well-being among children? Will the Minister and the Secretary of State meet the Children's Society to discuss that important report?

Mr Burns: Throughout the consultation process there have been comments and responses to proposals across the whole of the health area, including on children's health and well-being. Obviously, I cannot comment on a report that will not be published until later this week, but I or one of my ministerial colleagues would be more than happy to meet the Children's Society once the report has been published if the society thinks that a meeting to discuss the report's contents would be worth while.

Mr Stephen Dorrell (Charnwood) (Con): Against the background of the recommendation of the NHS Future Forum that a key priority for the future is greater integration between health care and social care—a priority that was explicitly endorsed last week by the Prime Minister—does my right hon. Friend agree that the key opportunity in the Bill, through the health and wellbeing boards, is to drive that agenda, which has been much talked about for many, many years now, and actually to start to deliver on that rhetoric?

Mr Burns: My right hon. Friend is absolutely right; of course, when he was Secretary of State he did a considerable amount of work to lay the ground rules for the move towards greater integration, because that is the way forward. My right hon. Friend makes a very valid point: it is the way forward and we fully recognise that. We are deeply committed to achieving that aim, and that is why my right hon. Friend the Secretary of State has added an extra £150 million to the existing £300 million, to facilitate progress towards it.

Andy Burnham (Leigh) (Lab): May I tell the Secretary of State and the Minister that he will receive more representations on his Bill later this week from two hospital doctors who, early this morning, began a 160 mile run to protest against his Bill, from Bevan's statue in Cardiff to his Department? *[Interruption.]* The Secretary of State should listen. Let me remind him why people are so angry. Nobody voted for the Bill. It was ruled out by the coalition agreement, and it is now the unelected House deciding the future of the NHS, passing amendments that he was too scared to table in this House.

Will the Minister today have the courage to admit that it is now the Government's intention to allow NHS hospitals to make 49% of their income, effectively devoting half of their beds, from the treatment of private patients?

Mr Burns: May I say a happy new year to the right hon. Gentleman as well? I believe that his analysis of the support for the Bill is flawed, because there are a number of areas where a number of organisations warmly welcome its contents. For example, the BMA voted in favour of GP commissioning at its special general meeting last year.

On the question of 49%, the shadow Secretary of State has been uncharacteristically forgetful, because of course he will appreciate that the cap applies only to foundation trusts, not to non-foundation trusts, and that is no different today from what it will be after the modernisation—and it was a policy that his Government brought in.

Andy Burnham: No, it was not. That policy would never, ever have come forward under a Labour Government—and I know that the right hon. Gentleman has not denied it. We, the Opposition, will now make it our business to tell every single patient in England about his plans for the NHS. People can finally see the Bill for what it is: a privatisation plan for the NHS. England's hospitals will never be the same again if the Bill gets through: an explosion of private work; longer waits for NHS patients; profits before patient care. Will not the only choice on offer for patients be the old Tory choice in the NHS: wait longer or pay to go private?

Mr Burns: I am afraid that the shadow Secretary of State is just totally wrong. This Government have no intention to and will not privatise the national health service. We want to improve patient outcomes and the patient experience. The right hon. Gentleman should look again at the 49% that he talks about, because we are not changing the situation, particularly because it does not apply to trusts at the moment; it is only for foundation trusts.

Andy Burnham: That is garbage.

Mr Burns: The right hon. Gentleman says it is garbage. I think that is confusing from him, because I remind him that of course it was in the Labour party manifesto at the last general election to remove the private patient cap.

Bowel Cancer Screening

12. **Guy Opperman** (Hexham) (Con): What steps he has taken to implement a flexiscope bowel cancer screening test. [88278]

The Minister of State, Department of Health (Paul Burstow): The IT system to support the pilots of flexible sigmoidoscopy screening is under development and local bowel screening programmes will be invited to become pilot sites shortly. We remain determined to deliver our cancer outcomes strategy commitment of 60% coverage across England by March 2015.

Guy Opperman: The Government rightly chose two out of the three pathfinder sites to be in the north-east, at South of Tyne and Tees. When will the date be given for local screening centres to be invited to bid to become pilot sites and have patients as a future part of that bowel cancer screening programme?

Paul Burstow: We debated these issues before Christmas. I can confirm that advice to local bowel screening programmes on bidding to become pilot sites will be published shortly and the process of recruiting pilots will start this month.

NHS Reorganisation Cost

13. **Mr Frank Field** (Birkenhead) (Lab): What estimate he has made of the cost to the public purse of NHS reorganisation in (a) Birkenhead constituency and (b) England. [88279]

The Minister of State, Department of Health (Mr Simon Burns): The cost of the NHS modernisation is estimated to be between £1.2 billion and £1.3 billion. That will save £4.5 billion over this Parliament, and a further £1.5 billion each year thereafter. [Hon. Members: "It is a different question."] It is the same question. We do not have a local breakdown of these figures, as that will depend on local decisions.

Mr Field: Perhaps the right hon. Gentleman will ask the House of Commons Library for the answer so that he can give it to me next time, and also look at the increase in the number of managers in Wirral over the past five years. The number has gone up by more than a quarter. With that size increase, why are those staff not being used to pilot his reorganisation?

Mr Burns: The right hon. Gentleman is absolutely right. There was a significant increase in managers in the NHS in the last two or three years of his Government. Since we came to power, there are just under 15,000 fewer managers and administrators, and 3,700 extra doctors.

Patrick Mercer (Newark) (Con): The Minister is well aware of the reforms to the NHS in my English constituency, but many of my constituents question whether they are getting value for money in view of the expansion of population in Newark over the next couple of years. Will he look again, please, at the Newark health care review?

Mr Burns: If my hon. Friend would be kind enough to write to me with specifics on the situation in Newark, I would be more than happy to look into it in detail and respond to him.

A and E and Maternity Departments

14. **John Mann** (Bassetlaw) (Lab): How many (a) accident and emergency departments and (b) maternity units he expects will be (i) downgraded and (ii) closed between May 2010 and May 2015. [88280]

The Minister of State, Department of Health (Mr Simon Burns): The reconfiguration of local health services, including A and E and maternity services, is and will remain a fundamentally local process. What matters is that decisions about service changes are clinically driven, and that patients and the public are involved in those changes to ensure that they get the highest quality care.

John Mann: I refer to the answer that the Minister just gave to the hon. Member for Newark (Patrick Mercer). The buck stops with the Minister. Would he like to congratulate the SOS Save Our Services group in Bassetlaw, which in the past two months has overturned the proposals to downgrade A and E and maternity services at Bassetlaw hospital? Is that not a good example of the real big society?

Mr Burns: As the hon. Gentleman knows, on 20 May 2010 my right hon. Friend the Secretary of State brought in the four conditions that had to be met for reconfiguration, which included paying attention to the views of local stakeholders and the medical profession. So, as the hon. Gentleman rightly says, the decision has been taken not to proceed with the changes at Bassetlaw hospital. No doubt he also welcomes the £900,000 that is being invested to expand and improve Bassetlaw hospital's A and E facility.

Mr Jamie Reed (Copeland) (Lab): The whole House will note that the moratorium on hospital and ward closures has clearly ended, but as my hon. Friend the Member for Bassetlaw (John Mann) rightly said, the NHS risk registers held by regional and local health boards around the country clearly showed the risks associated with closures and the downgrading of hospital wards. The Government's Health and Social Care Bill poses risks to the safety and quality of services, yet the Secretary of State has appealed against the Information Commissioner's ruling that the NHS national risk register should be published. Members of both Houses may be denied the opportunity to scrutinise the real risks that the Bill poses to the NHS before they are asked to vote on it for a final time. Will the Minister give a binding commitment that the risk register produced by his Department will be published in full before the Bill returns from the Lords?

Mr Burns: The right hon. Member for Leigh (Andy Burnham) did not publish a risk register during his tenure. His predecessor, the right hon. Member for Kingston upon Hull West and Hessle (Alan Johnson), did not publish the risk register on two occasions during his tenure. The bits relevant to the Health and Social Care Bill have been made public, but we will not be publishing the risk register because, as the hon. Gentleman knows, my right hon. Friend the Secretary of State is appealing, as he is entitled to do, against the Information Commissioner's decision—*[Interruption.]* We have a right of appeal, which we are exercising, and we will have to wait until a decision has been reached on appeal. Until then, no we will not be publishing the risk register, because it is not necessary or appropriate.

Early Intervention

15. **Mr Graham Allen** (Nottingham North) (Lab): What steps his Department is taking to prevent ill health and its associated costs through early intervention. [88281]

The Parliamentary Under-Secretary of State for Health (Anne Milton): The public health reforms have at their very heart the prevention of ill health and its associated costs, and the hon. Gentleman in his question clearly recognises the critical impact that intervening early can have. The health visitor work force are an important part of early intervention. We picked up a very demoralised and depleted health visitor work force, so I am pleased

to report that training commissions for health visitors are up 200%, and we plan to double the number of family nurse partnerships available by 2015. We are also developing a vision for school nursing.

Mr Allen: The introduction of the family nurse partnership and the enhancement of the amount of money available to it is a great credit to the previous Labour Government and the current coalition Government. It enables single teen mums to get one-to-one help from a health visitor. Given the economic circumstances, does the Minister accept that we need to be a bit more inventive to ensure that that very good scheme goes even further? Will she discuss with the city of Nottingham and its health service a payment-by-results system to extend the family nurse partnerships further?

Anne Milton: Yes, we are supporting the development of social investment and outcome-based funding models, and I am pleased that the hon. Gentleman has raised the issue of being innovative about how we do that, because it is important. We had a rather static situation previously, so I welcome his interest in developing and testing a payment-by-results scheme in Nottingham, and we will be interested to see his detailed proposals and how that develops locally soon. What matters are the results that we get from the schemes.

Mr Graham Stuart (Beverley and Holderness) (Con): I pay tribute to the hon. Member for Nottingham North (Mr Allen) for his work on early intervention and applaud the efforts made by the Minister to recruit more health visitors, but when will the Government be able to deliver the additional health visitors on the ground, trained and in service, in order to reverse the cuts in the health visitor service under the previous Government?

Anne Milton: My hon. Friend is right; we picked up a very depleted and demoralised health visitor work force. We have 26 health visitor early-implement sites and, as I said, a 200% increase in planned training commissions for health visitors. Turning this round takes a long time. I am sorry that we could not get started on it earlier, but this will have the critical impact: 4,200 health visitors by the end of this Parliament will give us the results that we need in turning round the fortunes of some of the most vulnerable families in this country.

Liz Kendall (Leicester West) (Lab): Early intervention can transform health for children and young people and prevent bigger and more expensive problems down the line, yet the Government have cut funding for early intervention programmes, including Sure Start, teenage pregnancy and mental health in schools, by 11% this year and 7.5% next year. Is not the reality that it is this Government who are depleting and demoralising the health visitor work force, and that their short-sighted, short-term policies will make it harder to prevent poor health and cost us all more in the long run?

Anne Milton: The reality is that the Government are picking up a very depleted health visitor work force. School nurses, health visitors and the family nurse partnership are all critical. We picked up a very sorry state of affairs. The hon. Lady is right; early intervention matters, which is why we are doing it. I am just sorry that the previous Government did not take the action that was needed.

Topical Questions

T1. [88291] **Margot James** (Stourbridge) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Health (Mr Andrew Lansley): My responsibility is to lead the NHS in delivering improved health outcomes in England, to lead a public health service that improves the health of the nation and reduces health inequalities, and to lead the reform of adult social care, which supports and protects vulnerable people.

Margot James: My right hon. Friend will be aware that a significant number of private clinics that fitted women with Poly Implant Prothese breast implants are no longer in business. Will he advise the House on how he plans to strengthen not just the regulation of clinics offering cosmetic surgery, but the products that they use?

Mr Lansley: I am grateful to my hon. Friend. I not only laid before the House a written statement this morning, but will, with permission, make a statement on the subject tomorrow. We have been very clear about the support the NHS will give to women who have had implants through the NHS, and we expect private companies to do the same. Not all will do so, and to that extent I make it clear that the NHS is there to support women in their clinical needs, whatever their circumstances.

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): The Secretary of State will be aware that thousands of women are worried and frightened about this issue. The statements he has made are welcome, but what practical help can he offer women whose private providers have not yet committed to offering free replacements?

Mr Lansley: This is important, as the hon. Lady says. All the way through we have wanted to be absolutely clear that any woman who is worried should be able to go to her general practitioner. The NHS is there to support any women in their clinical needs, whatever their circumstances. I have made it clear that I expect private providers to match the NHS support through information and access to specialist advice, imaging and investigation, as necessary, and through the removal of implants if it is decided that that is necessary. If private providers will not do that, let me be clear, as I will explain further tomorrow, that the NHS remains available to support women in their clinical needs.

T5. [88295] **Karl McCartney** (Lincoln) (Con): Does my hon. Friend the Minister believe that the Government's aim of stopping people smoking is in any way helped by the chairman of the all-party group on smoking and health, the hon. Member for Bristol West (Stephen Williams), using a private letter that I sent to him, and copied to the Minister, to castigate me and make untrue allegations in my local newspaper last Thursday?

Mr Speaker: Order. I was doing my best to listen attentively—it is very difficult to hear clearly when there is so much noise. If there is to be a reference to another right hon. or hon. Member, advance notice of it should be provided. These courtesies must be observed. They are there for a good reason.

The Parliamentary Under-Secretary of State for Health (Anne Milton): I remind my hon. Friend that smoking kills over 80,000 people a year in the UK. We have published our tobacco control plan, are implementing the display ban and hope to consult soon on the future of plain packaging. The important thing to remember about improving public health is that it is not a party political issue. I cannot comment on the specifics of the case he mentions, but this is a matter that interests everyone across the House.

T2. [88292] **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): The people of Newcastle are more likely to die early from cancer, health disease and stroke. On average, a child born in Newcastle today is expected to die five years before a child born in the Secretary of State's constituency, so why is he changing the health funding formula so that in Newcastle we will lose 2.5% of our funding, whereas his constituency will see a rise of 2.1%?

Mr Lansley: Let me remind the hon. Lady—she might not have noticed this—that before the Christmas recess I announced funding for the next financial year for all primary care trusts in England, and the increase for all primary care trusts is 2.8%. In contrast to the previous Government, we are setting out to reduce health inequalities, not least by focusing resources on public health on the basis of an objective measurement of disparities in health outcomes.

Robert Halfon (Harlow) (Con): A BBC Essex investigation into Rushcliffe's Partridge care home in my constituency has uncovered shocking allegations of abuse and neglect. Will the Minister urge the Care Quality Commission to step in now with an inquiry and take whatever legal action is necessary to protect the elderly residents? Will he meet me and my constituent Lesley Minchin who has a relative who has suffered as a result of what has been going on in the care home?

The Minister of State, Department of Health (Paul Burstow): I certainly share my hon. Friend's concerns. BBC Essex's reports of abuse and degrading treatment in that care home are cause for concern. The CQC is due to publish a report shortly and I am certainly happy to meet my hon. Friend to discuss the matter further. The Government are determined to shine a light on abuse wherever it is found and to root it out of the system to ensure that people are treated with dignity and respect and get the care they need.

T3. [88293] **Alex Cunningham** (Stockton North) (Lab): Does the Health Secretary agree with the Prime Minister that our nurses need greater supervision by patients' groups on the ward to ensure that they are doing their jobs correctly, or does he recognise the tremendous job that they and their professional clinical managers are doing despite the huge cuts that the Health Secretary has forced on their numbers?

Mr Lansley: I do indeed agree with the Prime Minister, but I would not characterise what he said in the way that the hon. Gentleman does. I was very interested to see a number of letters in *The Times* just this morning that highlighted that in the past, under patient and public involvement forums and community health councils, there was a direct public interest in seeing what happened in hospitals and in inspection. Through the Health and Social Care Bill and the establishment of HealthWatch, we will enable the public—representatives of patients—to be involved directly in assessing the quality of the environment in which patients are looked after. They will not supervise nurses. Nurses will be responsible for the experience and care of patients, but the public have a right to be participants in inspection—

Mr Speaker: Order. I am grateful to the Secretary of State.

Andrew George (St Ives) (LD): When the Government introduced the Health and Social Care Bill a year ago, they did so with the claim that the NHS fails in comparison with its European counterparts with regard to patient outcomes. Now we know that that is not the case, will the Government withdraw the Bill?

Mr Lansley: I do not agree with that characterisation of why we instituted the Health and Social Care Bill or of the current situation. For example, the OECD published in October its latest assessment of health in a number of countries. In too many respects—for example, in relation to serious respiratory disease—we have very poor outcomes relative to other countries. What we are setting out to do in any case is to deliver continuously improving outcomes and to get among the best in the world. In too many respects we are not yet among the best in the world.

T4. [88294] **Karl Turner** (Kingston upon Hull East) (Lab): If the Prime Minister really wants to help nurses to focus on patient care, should the Secretary of State not listen to those nurses and drop this barmy, unnecessary Health and Social Care Bill?

Mr Lansley: It is precisely because the Prime Minister and I listen to nurses that we met them and made it clear that we will support best practice. The hon. Gentleman and his colleagues should support nurse leadership on the wards. Nurses can see—through best practice, if they talk to patients about their experience every hour—that they can deliver better care. We will support nurses to deliver better care; he should support us in doing so.

Dr Sarah Wollaston (Totnes) (Con): I know the Secretary of State cares deeply about outcomes in health. Will he add his support to the campaign for a minimum price for alcohol in England and Wales?

Mr Lansley: The Government will shortly publish our alcohol strategy, which will set out how we hope to deliver continuing success in the reduction of alcohol consumption and abuse.

T6. [88296] **Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): In a written answer on 12 December, the Minister of State, Department of

Health, the hon. Member for Sutton and Cheam (Paul Burstow), who has responsibility for care services, told me that the Government felt that:

"Local community hospitals provide a vital community resource to support patients in need of rehabilitation, recuperation and respite care"—[*Official Report*, 12 December 2011; Vol. 537, c. 560W.]

What steps will the Government take to prevent the closure of the Chaloner Ward at Guisborough hospital and financially secure that hospital's vital future?

Mr Lansley: I am grateful for that question. I will certainly be happy to write to the hon. Gentleman on Guisborough hospital—I will not delay the House with the detail. I have those details, and will be happy to correspond with him.

Andrew Bridgen (North West Leicestershire) (Con): The Prime Minister speaks of the "health and safety monster"; does the Minister believe it is right that advertising for personal injury lawyers should be displayed in hospital A and E departments, which many might think would feed the monster and make it bigger?

The Minister of State, Department of Health (Mr Simon Burns): I am very grateful to my hon. Friend for raising that, because it is an important issue. As he might be aware, there are rules and regulations: it is not acceptable for that sort of advertising in NHS hospitals. I would hope that any trusts behaving in that way immediately review their procedures.

T8. [88299] **Jim McGovern** (Dundee West) (Lab): Yesterday, I had a meeting with Patricia Osborne, the chief executive of the Brittle Bone Society, a UK-wide organisation that is headquartered in my constituency. It was made clear to me that given the current funding squeeze across the voluntary sector, the society is concerned about its ability to provide the vital services that it currently provides. Also troubling the society is the lack of support for adult sufferers of osteogenesis imperfecta. What can the Secretary of State tell me about the Government continuing to support that important society, and what more can they do to support adults with that condition?

Mr Lansley: The hon. Gentleman will know that the Department of Health continues to support the voluntary sector considerably through section 64 funding and related support. If he wishes to write to me about the specific circumstances of the Brittle Bone Society, I will be glad to reply to him.

Chris Skidmore (Kingswood) (Con): I recently made a freedom of information request to all 170 acute trusts asking for the estimated total cost of missed out-patient and surgery appointments. So far, 61 have come back to me, and the cost is already over £1 billion. Will the Secretary of State seriously consider what we can do to tackle the enormous cost of missed appointments in the NHS?

Mr Lansley: Yes. My hon. Friend makes an important point, and it is something the NHS must focus on. There are considerable opportunities through new technologies substantially to reduce the extent of missed appointments, including through things such as text messaging. What is frustrating is that, sometimes, appointments are missed because patients have not been adequately contacted by hospitals. As for people who abuse the NHS, I hope we will give them no excuses for not meeting their obligation to attend appointments.

Mike Gapes (Ilford South) (Lab/Co-op): Can the Secretary of State intervene with those involved with the health for outer north-east London programme to get them to allow the Barking, Havering and Redbridge University Hospitals NHS Trust to use the births and maternity capacity at King George hospital to take pressure off Queen's?

Mr Lansley: As the hon. Gentleman knows, following the independent reconfiguration panel report, which I accepted in full, the Barking, Havering and Redbridge Trust is looking to manage safely its maternity services, while improving the quality at Queen's. It is doing that in close co-operation with NHS London and, indeed, with the advice of the Care Quality Commission, following the commission's inspections. I will continue to be closely involved in that, and we will continue to support the Barking, Havering and Redbridge Trust in improving services for the hon. Gentleman's constituents and others.

Mr Philip Hollobone (Kettering) (Con): In north Northamptonshire in 2010-11, there were 6,164 alcohol-related hospital admissions. That is four times the number just eight years before. What more can be done to tackle this horrendous increase in booze drinking?

Mr Lansley: Time does not permit me to mention all the things that could be achieved, but let me just say that we are clear about the need, for example, to tackle below-cost selling of alcohol, and we are doing that; to stimulate more community alcohol partnerships, and we are doing that; and to accelerate public understanding of the consequences of alcohol abuse, and we are doing that, not least through Change4Life, additionally, during this year. There is more, but we will say much more in our alcohol strategy soon.

Hazel Blears (Salford and Eccles) (Lab): When the Secretary of State, together with the Prime Minister, visited Salford Royal hospital last week to praise the nurse leadership, was he aware that the hospital has cut 200 posts this year and is about to cut a further 200 posts over the next two years as a result of having to take 15% out of its budget? Does he not agree that nurse leadership is important, but that we also need the nurses on the wards to be able to deliver effective patient care?

Mr Lansley: Of course I had an opportunity to talk to the chief executive, the nursing director and others at Salford Royal, and I was tremendously impressed, as was the Prime Minister, by the quality and leadership of the nursing, which demonstrated what he was saying about nursing—that there is best practice inside the NHS, and we need to spread it. The right hon. Lady is confusing a cost-improvement programme with a cut. I think Members on both sides of the House understand that the NHS is having to make efficiency savings, which involves shifting some resources from the acute sector and hospitals into the community. Right across the NHS, we have an increase of over £3 billion this year; next year, we have a 2.5% or 2.8% increase everywhere.

High-speed Rail

3.39 pm

The Secretary of State for Transport (Justine Greening): This morning, I made a written statement to the House announcing my decision to give the go-ahead to High Speed 2—a national high-speed rail network. With the exception of High Speed 1—a 68-mile stretch of line—it will be the first major national railway line to be built in Britain since the Grand Central line opened to passengers in 1899. I would like to provide Members with further detail of the substance of, and rationale for, my decisions.

I weighed up the evidence after one of the largest public consultations in our history. We wrote to more than 172,000 people living or working near the proposed line from London to the west midlands, visited communities along the 140-mile route and held 41 days of roadshows attended by almost 30,000 people over the five-month consultation period. Almost 55,000 responses were received from individuals, businesses and organisations across the country representing a wide spectrum of views. Many of those views were expressed strongly both in favour of and against high-speed rail, and I have considered them carefully in making my decisions.

Since becoming Secretary of State for Transport, I have examined all the available evidence, including the work undertaken by my right hon. Friend the Member for Runnymede and Weybridge (Mr Hammond) and by the previous Labour Administration in developing the consultation proposals, the evidence submitted during the consultation, and the further work undertaken by my Department and HS2 Ltd. My decision had to consider not only the full environmental impact of HS2 but its benefits to our economy, jobs and our competitiveness not just today but decades into the future.

I also had to be clear about the implications of not investing in high-speed rail—about how it would affect our leading cities, and how that would affect the road network and aviation. Generating growth, helping people back to work and supporting Britain's companies and wealth creators so that they can compete and win in the global marketplace are at the top of the Government's priority list, and, from day one in office, the coalition has had a laser focus on investing in and modernising our country's transport infrastructure with unprecedented levels of investment.

When it came to HS2, I could have made the easy choice: I could have gone for the short-term option, relying on a patch-and-mend approach and leaving our rail networks overstretched, overburdened and less resilient. But let us be clear: the price for that would have been paid in lost business, lower growth, fewer jobs and more misery for passengers on a network without the capacity to cope. We would have failed future generations depending on us to create the prosperous country that they will want to live in.

Good government is about acting in the long-term national interest and about taking decisions, however difficult, to improve people's quality of life and the country's economic prospects not just for the next four or five years but for the next four or five decades. Our Victorian predecessors would have been immensely proud to see their railways providing massive benefit today—more than 100 years later—but as a result of today's announcement the railway revolution that they started is happening again. We are ready for a new chapter in Britain's transport history—one designed to boost our economy and our country just as the first coming of the railways or the motorways did for previous generations.

That is why I have given the green light to HS2. In spite of the challenges of rising demand, our railways have been a huge success since privatisation. Passenger demand is growing year on year, particularly in the inter-city market. I recognise, however, that further rounds of upgrades to our major north-south lines, even if they offer apparently good value for money, can only provide a short-term fix—one that is incapable of meeting the long-term challenge. In truth, they could add only limited further capacity; they could not offer the step change in performance that passengers wish and need to see.

What is more, upgrades would consign rail passengers and the vitally important rail freight industry to years, if not decades, of future engineering disruption, delay and unreliability—something that users of the west coast main line will remember only too well. The question, therefore, is not, "Do we build new lines?" but, "What type of line should we build?" And when we weigh up the economic and social rewards, there is only one answer: high-speed rail. A high-speed line will deliver £6.2 billion more in benefits to the country than a line running at conventional speeds, at an extra cost of only £1.4 billion. Therefore, by slashing journey times, as well as providing the step change in rail capacity that we need to keep the country moving, a high-speed line will give a return on the additional investment of more than four to one. A modern, reliable and fast service between our major cities and international gateways, as befitting the 21st century, will transform the way we travel, and promote Britain's economic and social prosperity.

HS2 will be built in two phases, to ensure delivery of its benefits at the earliest possible opportunity. Phase 1 will link London to the west midlands, as well as delivering a direct connection to the continent through the channel tunnel via High Speed 1. Even in the first phase, cities and towns off the HS2 network—such as Stockport, Warrington, Liverpool, Preston and Glasgow—will be served by trains able to use both HS2 and inter-city lines, saving over half an hour on journeys to London. Phase 2 will provide onward legs to Manchester and Leeds, with intermediate stations in the east midlands and South Yorkshire, plus a direct connection to our international hub, Heathrow airport. HS2 will also mean substantial time savings between Britain's cities, reducing Birmingham-to-Leeds journeys from two hours to just 57 minutes, and Manchester-to-London journeys from two hours eight minutes to only one hour eight minutes. Edinburgh and Glasgow will benefit from a three-and-a-half hour journey time from London, encouraging modal shift from short-haul flights to high-speed rail.

In delivering HS2, I look forward to working with the Scottish Government and others to identify and evaluate options for developing the high-speed network and further reducing journey times. However, I want to emphasise to the House that in making my decisions, I have been particularly mindful of our responsibility to safeguard the countryside and its wildlife, and to protect local communities as far as possible. I have worked hard to look at more tunnelling, to lower the route into cutting to reduce visibility, and to move the route away from homes wherever viable. I have looked hard at how

we can better protect our landscape, our wildlife and our heritage. For that reason, my engineers have carefully re-examined the route in the light of all the evidence. I can therefore announce a package of alterations that I believe will significantly reduce the railway's impact.

Those improvements include a longer, continuous tunnel under the Chilterns from Little Missenden to the M25, and a new 2.75-mile bored tunnel along the Northolt corridor to avoid major works to the Chiltern line and impacts on local communities in the Ruislip area. Of the 13 miles through the Chilterns area of outstanding natural beauty, less than 2 miles will be at or above the surface. The rest will be in deep cutting or tunnel. There will also be a longer green tunnel past Chipping Warden and Aston le Walls, and another longer green tunnel to reduce impacts around Wendover, as well as an extension to the green tunnel at South Heath. There will also be a green tunnel past Greatworth. Those are just a few examples from the suite of improvements detailed in full in the Command Paper that I presented to the House this morning.

The changes will bring significant benefits to communities and the environment. Compared with the consultation route, there will be a more than 50% increase in tunnel or green tunnel, now totalling around 22.5 miles. In addition, around 56.5 miles will be partially or totally hidden in cutting, as a key way of helping to reduce noise in neighbouring communities, and 10 miles less track along viaduct or embankment. In all, that means that around 79 miles—more than half the route—will be mitigated by tunnel or cutting. The revised tunnel alignment through the Chilterns will avoid an important water aquifier—[HON. MEMBERS: "Aquifer."]—aquifer—significantly reducing impacts on water. You see, Mr Speaker, I am always happy to listen to people when they see a better way of doing things.

There will also be a reduction in the impacts on ancient woodlands and heritage sites. Communities affected will benefit from the changes, with a near 50% reduction in the number of dwellings at risk of land take, and the number of households experiencing noticeably increased noise levels reducing by a third, to just over 3,000 properties.

I have always been clear in my mind, however, that, whatever the mitigation measures, there can be little comfort to someone in knowing that the country will benefit enormously from HS2 when it is their house, or their business, that has to be knocked down to make way for it. The meeting that I had with MPs earlier last year allowed many of those representing communities along the proposed route to communicate the views of their constituents to me directly.

So, to help people, we will bring in a package of compensation measures over and above those that affected homeowners are already entitled to under law. These include: a streamlined purchase scheme to simplify the statutory blight process for property owners; a sale and rent back scheme to give homeowners within the safeguarded area more flexibility; a streamlined small claims scheme for any construction damage; and a package of measures to reinforce confidence in properties above tunnels.

Homeowners will be offered before and after surveys, a thorough assessment of the impact of similar tunnels, an explanation of the measures that will be taken to prevent perceptible vibration impacts, financial compensation for the compulsory purchase of subsoil, and a legally binding promise that HS2 will be permanently responsible for resolving any related settlement or subsidence issues. There will be also be a refreshed hardship-based property purchase scheme, and, finally, we will work constructively, and in a structured way, with local authorities along the line of route to minimise the negative consequences of HS2 and maximise the benefits.

Having made the decision to press on with HS2, my intention is to drive it forward as fast as is practicable, so that we can gain from its benefits as early as possible and end the unwelcome uncertainty for those affected. A key part of this will be to engage fully and actively with organisations, communities and individuals along the whole route of the Y network. People presented legitimate concerns in the consultation and, even though we have made significant improvements, I am keen to work hard with local communities so that as many concerns as possible are properly addressed.

I have instructed HS2 Ltd to undertake a range of activities to prepare for and deliver both phases of the network. It is my intention to introduce a hybrid Bill in the House by the end of 2013, including a detailed environmental impact assessment to provide the necessary powers to construct and operate the line from London to Birmingham. I have instructed HS2 Ltd to deliver this project at pace, but within milestones that will stand the test of time and with regular reporting to me on progress. The Major Projects Authority, which this Government launched last March to improve the performance of major Government projects in delivering on time and in budget, will provide critical support and oversight.

This spring, we will consult on the draft directions for safeguarding the proposed route from London to the west midlands, as well as separately consulting on detailed compensation proposals. I aim to bring final safeguarding directions and an agreed compensation policy into effect later in the year. In March this year, HS2 Ltd will advise me on the route and station options to Manchester and Leeds, and in autumn 2012, we will start an engagement programme on a preferred route to discuss local views.

I warmly welcome the political consensus on HS2, on the basis that it will help to ensure that the planning and construction of this transformational scheme are carried through to completion. HS2 matters to the long-term success and prosperity of the whole of Britain. It will help to create jobs, support growth and regenerate our regions. It will better connect communities and improve people's opportunities, and, with its potential to attract people and freight on to trains and away from long-distance road journeys and short-haul flying, combined with the increasing decarbonisation of the grid, HS2 will be an important part of transport's low-carbon future.

Britain has faced such challenges before. The Victorian railway pioneers had the vision to build a rail network that has promoted growth and created jobs for more than a century. Those innovators transformed this country's fortunes. Our industries flourished, our exports multiplied, and our economy grew wealthy. Half a century later, another generation had the vision to start building the motorway network. Post-war planners developed the motorway network, connecting major cities and transforming the capacity of our road network. Half a century on again, we now need to do for our Victorian railway what previous generations did for our road network. The time has come again to seize the moment,

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to be ambitious and to show the world that this is a can-do country. The lesson from history—and the lessons from our global competitors—is that no matter how hard times are, we cannot stop planning for the future or investing in our infrastructure if we want Britain to flourish. HS2 will be the backbone of a new transport system for the 21st century, offering the vital capacity that we need to compete and grow as a country. It will transform the economic shape and balance of our country, linking our major cities to a level previous generations could only dream of. By backing HS2, this Government are backing Britain, and I commend this statement to the House.

Several hon. Members *rose—*

Mr Speaker: Order. I thank the Secretary of State for her statement, which was nevertheless significantly in excess of the allotted time for ministerial statements. An allowance for that will be made in the response from the shadow Secretary of State. The House can rest assured, as it can always rest assured, that I have the interests of Back Benchers at heart. They need not worry; if they want to get in, they will be heard.

Maria Eagle (Garston and Halewood) (Lab): May I begin by thanking the Secretary of State for advance sight of her statement? I welcome her decision today. As the right hon. Lady was generous enough to say, it was the previous Labour Government who started us on the journey that has now reached this important milestone. I pay tribute to the former Prime Minister, my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown), for having the boldness to set out a vision for a new high-speed rail line to address the capacity issues on our existing mainlines while cutting journey times across Britain. This is a vital project for the country, and I welcome the decision to give the green light to this investment in the face of considerable opposition—not least from many of the Secretary of State's own colleagues, including from inside the Cabinet.

Labour Members believe that it is vital that the new high-speed line is built—not just between London and Birmingham, but on to Manchester and Leeds. So while I welcome the commitment given today to the whole HS2 scheme, there will be disappointment that the Government's announcement has stopped short of committing to legislating for the entire route to Manchester and Leeds in this Parliament. That was always Labour's intention, as confirmed by the former Transport Secretary Lord Adonis in his evidence to the Transport Select Committee—a position the Select Committee said had merit.

Of course it is right that a single Bill would need to await completion of preparatory work for the second phase of the route. However, by introducing it later in this Parliament and carrying it over to the next, as we did with the legislation for Crossrail, we would secure Parliament's approval for the whole route at an earlier date than under the Government's plans. That would, of course, open up the possibility, if it proved feasible, of beginning construction in the north as well as the south—something that the Transport Select Committee urged the Government to consider. The Secretary of State should do so and the Government should think again on the issue of using a single piece of legislation to make HS2 possible all the way to the top of the Y route. At the very least, will the Secretary of State agree, as a minimum, to follow the Transport Select Committee's recommendation to include a "purpose clause" in the hybrid Bill that she plans, providing statutory force to the commitment to continue the scheme to Manchester and Leeds?

Turning to other issues in the statement, the Secretary of State says that there will be "direct links to Heathrow airport and the continent via the HS1 line". There will be disappointment that the Government have not accepted the case—not least in her own team—to build a transport hub at Heathrow, enabling a direct connection between the airport, HS2, Crossrail and the Great Western mainline at one site. The Minister of State, Department for Transport, the right hon. Member for Chipping Barnet (Mrs Villiers) is on record as saying that

"failing to take high speed rail through Heathrow...would be a big mistake".

This is a failure to learn the lessons of successful high-speed rail schemes across the world. When the Government claim this route would cost more, they fail to include the cost of building the spur; and when the Government claim it would increase journey times, they fail to make clear that this hub would be instead of Old Oak Common and would allow for non-stopping services.

Can the Secretary of State confirm the cost of building the separate spur to Heathrow? Can she confirm that the Government's intention is to enable at least the possibility of direct services between Heathrow and the continent at the end of phase 2? Can the right hon. Lady tell the House what discussions she has had with the European Commission over the potential for EU funding towards the costs of HS2? Is it correct that the decision not to take the route via Heathrow and the concerns over the planned link to HSl mean that such support is less likely to be forthcoming?

In respect of Scotland, the Secretary of State has said that HS2

"will form a foundation for a potentially wider high speed network in years to come."

Can she confirm that the Government still intend to begin discussions with the Scottish Government on the future development of the network to Scotland during the next Parliament? When do they expect to start work on the business case for further extensions beyond the Y?

As for what the Secretary of State said about mitigation and costs, I welcome the steps that she has taken to address some of the concerns that led the Labour party to propose its alternative route, although none of these measures addresses the impact on the Chilterns as effectively as would a route via Heathrow. It is the Government's own stubbornness that has forced them to commit themselves to significant additional spending to prevent a Cabinet resignation.

Will the Secretary of State tell us what the extra cost of each of the new mitigation proposals that she has announced today will be, and whether those costs will be met within the existing cost envelope for HS2? What assessment of value for money has she made in respect of the costs of these measures, compared with those of offering greater protection to the Chilterns through a different alignment? I welcome the mitigation measures

proposed for London, although there remains a significant impact on the area around Euston station. Will the Secretary of State assure the local community in Camden that she will listen to their concerns, and will take appropriate steps to mitigate the impact of the redevelopment of Euston station? What discussions has she had with Transport for London on how best to address the concerns that have been raised about the impact of the very large increase in the numbers arriving at Euston on HS2?

There has been considerable debate about the affordability of building the line, but not about the affordability of using it once it opens. I note that the Secretary of State had nothing to say about that in her statement. Does she agree with us that now is the time to move the debate from whether we should build to discussing the type of high-speed rail network that we want to see in this country? Her predecessor as Secretary of State—I am pleased to see that he is present—told the Transport Committee:

"If you are working in a factory in Manchester you might never get on HS2, but you will certainly be benefiting from it if the salesman and sales director of your company is routinely hopping on it to go and meet customers, to jet around the world from Heathrow in a way that brings in orders that keep you employed."

Is that not precisely the wrong approach to high-speed rail? Does the Secretary of State agree that we need a high-speed rail network that is affordable for the many and not the few—a network that is not a "rich man's toy" or simply a business class service?

Today we have reached an important stage in the development of high-speed rail in this country, a process begun by Labour. I hope that the Secretary of State will consider the issues that we have raised. This is a major scheme which deserves proper scrutiny. We have raised questions with the clear intention of ensuring that we have the best possible high-speed rail network, one that the country needs and deserves. We strongly support the building of HS2. [Hon. Members: "Hurray!"] I said that in the first sentence of my reply. I look forward to working on a cross-party basis with the Secretary of State and her colleagues to ensure that parliamentary approval is secured, and that this vital project can move ahead and become a reality.

Justine Greening: I am delighted to hear that the Labour party supports our high-speed rail proposals. As I think even Labour Members would have to admit, the original proposal did indeed come from my party. I must point out that high-speed rail did not feature in the Labour Government's 2007 White Paper setting out the 30-year vision for the railways. However, we are pleased that Labour has belatedly seen the real potential of a high-speed rail network in Britain.

The hon. Member for Garston and Halewood (Maria Eagle) asked about legislation for the full Y network. I am considering whether it is possible for us to build that into the hybrid Bill, but I can give a categorical assurance that I have decided that we should go ahead with the full Y network. I have also announced today the final decision on the route of phase 1 of that network.

The hon. Lady asked about Heathrow, which has clearly been an important aspect of the issue. HS2 will go directly to Heathrow. That will happen as part of phase 2. People will be able to get on a high-speed train in Birmingham that goes direct to Heathrow. The hon. Lady raised the question of whether HS2 should go directly via Heathrow. The last Labour Transport Secretary of State, Lord Adonis, looked at that, and he concluded—as did I and my predecessor, my right hon. Friend the Member for Runnymede and Weybridge (Mr Hammond)—that that is not the most cost-effective or line-effective route for the line to take. It would be a longer line, and it would be more expensive.

The hon. Lady asked whether we will seek EU funding. The business case we have presented to the House today is based on a working assumption that the £32 billion cost of this railway will come from the rail budget—that it will be taxpayer-funded. The business case would improve if we were able to get private sector and EU funding. We believe that this is a high-value project and we will look to see whether we can secure such contributions, especially from the private sector, and they would make that business case even stronger than it already is.

I am keen to talk with the Scottish Government about their aspirations for high-speed rail further north. Their desire to see this project go ahead underlines its strategic value to the entire UK, not just the London-to-Birmingham part of our country.

On mitigation, the hon. Lady raised the important question of how we tackled the issue of the line going through an area of outstanding natural beauty in the Chilterns. I want to emphasise that I looked very hard along the entire line. I understood the specific concerns people had in respect of this AONB, and I took them very seriously, but I looked at the whole line to see how we could mitigate its impact on local communities wherever possible, because that is important and the right thing to do. The changes in the Chilterns that we have made will result in that stretch of the line costing in the region of £250 million to £300 million less, because the engineering solutions we have found will involve less use of deep cutting. That will mean that we have less spoil, and the removal of spoil is often what causes huge expense. I hope that provides some reassurance to the hon. Lady. For some parts of this route, improving the line is good not only for local communities but for the business case for the line.

The hon. Lady also raised the question of the redevelopment of Euston station that will happen as part of HS2's phase 1 proposal. We believe the line coming into Euston can be part and parcel of the regeneration of the Euston area. We must ensure that Euston makes the most of the investment that will go into Euston station. I fully understand that two-thirds of the homes that will be demolished will be next to Euston station, and we will work very closely with Camden council. A number of statutory processes are already in place to provide safeguards for tenants who will be affected, but I can assure the House that I will work very closely with Camden council in considering how we can minimise the impact of the redevelopment of Euston station on current residents. I will, of course, also be delighted to work with the Mayor in considering traffic flows on the tube and how high-speed rail will interact with our tube network.

The hon. Lady asked about affordability and pricing, and I agree that that is very important. The business case we have done assumes a pricing level that is the same as the standard pricing on the current network. That has been the presumption. As we get closer to the finalisation of the route and its development, I am sure

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we will look at the pricing, but I can assure the hon. Lady that the success of this high-speed railway network will be based on its being used by many people, not a few. I have no doubt that the pricing of the tickets will be set in order to achieve that.

Several hon. Members *rose—*

Mr Speaker: Order. Given the intense interest, I appeal for brevity, led by one of its exemplars, Mr John Redwood.

Mr John Redwood (Wokingham) (Con): Will the Secretary of State tell us how much the Government propose to spend on the project during this Parliament, and will she confirm that no construction contracts will be let during this Parliament?

Justine Greening: No construction contracts will be let during this Parliament, and my understanding is that the spend over the course of this Parliament will be in the region of a couple of hundred million pounds.

Mr Bob Ainsworth (Coventry North East) (Lab): As the city closest to the first non-London station, the potential investment benefits to Coventry are considerable. Is the Secretary of State prepared to meet a delegation to discuss the links between the city and that first station, so that Coventry maximises the benefits from HS2?

Justine Greening: The short answer to that is an absolute yes.

Dr Julian Huppert (Cambridge) (LD): The Liberal Democrats were the first party to push for high-speed rail, back in 2004—*[Interruption.]* I realise that the Opposition may not appreciate the fact. I am delighted that the coalition is going ahead with this, and I congratulate the Transport Secretary on that decision. Phases 1 and 2 will bring great benefits, and the news about phase 2 going to Manchester and Leeds is very welcome. Can she say something about her future aspirations for the connection through to Scotland?

Justine Greening: As I said, we are very keen to ensure that we progress phases 1 and 2 as quickly as possible, and I will be in discussions with the Scottish Government about the future development of the line that they have aspirations for, as well.

Frank Dobson (Holborn and St Pancras) (Lab): I am sorry, Mr Speaker, if I break into this aura of unanimity. I represent people living around Euston, 350 of whom will lose their homes, and up to now they have received no guarantees whatever from Ministers, the Department or the HS2 project team. The area has already seen the abandonment of the intended rebuilding of a Roman Catholic convent school, part of the site of which will be taken, and a large number of small businesses will be put out of business as a result of this. Also, Euston will be even more overcrowded when the new line comes in, and there are no proposals whatever to improve the connections, by tube or bus, to Euston station to take the extra traffic.

Justine Greening: The right hon. Gentleman raises the wider point that we will need a broad-based strategy if HS2 is to come into Euston—the broader regeneration of Euston that I believe can take place alongside HS2 and the redevelopment of Euston station. I am absolutely committed to doing whatever I can: to work with Camden council, and to meet the right hon. Gentleman separately to talk about what we can do to minimise the disruption to local residents while HS2 is being built and in the years beforehand. There are statutory processes that I am very happy to talk through with him in detail, and I look forward to doing that.

Andrea Leadsom (South Northamptonshire) (Con): My right hon. Friend has been very patient in hearing from me many times about the concerns of my constituents, many of whose communities will be blighted by this high-speed rail line. She is also well aware of my concerns about the economics of the project. How sure is she that the actual costs in their entirety will be kept to the amounts we have been talking about, and how realistic is it for Britain to afford this project at this very difficult time economically?

Justine Greening: I would argue that we cannot afford not to do this. The cost to the taxpayer will start once Crossrail has finished. On the overall costs, High Speed 1 was brought in on time and to budget, and our costing includes a substantial allowance for so-called optimism bias, because we know that such projects tend to grow in cost. If anything, I would aim to bring it in under the amount we have budgeted for, but we have allowed for some optimism bias, as we do for these projects.

Glenda Jackson (Hampstead and Kilburn) (Lab): While thanking the right hon. Lady for switching on the green light, I note that she referred in her statement to "a package of measures to reinforce confidence in properties above tunnels". That issue affects many of my constituents. When and to whom should my constituents make representations to have their concerns calmed?

Justine Greening: I will be writing today to all the people affected directly by HS2, and that will include making sure that people in areas that will have tunnels underneath them will receive all the details they need to understand how this process will work.

Kwasi Kwarteng (Spelthorne) (Con): Will my right hon. Friend say a few words about the massive capacity that is going to be added to freight lines, so that we can encourage greater use of the railway in transporting freight around the country?

Justine Greening: One of the things we have seen in recent years is freight switching from road to rail. HS2 will have the advantage of freeing up the capacity on the conventional railway network, which will see that renaissance continue. We hope that it will have even more force behind it than it has had already.

Richard Burden (Birmingham, Northfield) (Lab): Today's announcement is very good news for Birmingham. May I say to the right hon. Lady that two things are just as important as our connectivity to London? The first is connectivity to the north, so I ask her to act on the optimistic noises she has made about possibly changing

the hybrid Bill to include the second phase. The second is to ensure, as my right hon. Friend the Member for Coventry North East (Mr Ainsworth) said, that HS2 unlocks potential in the local transport network in and around Birmingham and the wider west midlands. Will she take that on board? Those are the things that will really maximise the benefits of HS2 to the midlands.

Justine Greening: I will take both those things on board, and indeed I will be in Birmingham tomorrow. When we look at high-speed rail in other countries, we see that the countries that have had the most success with it are those that have looked at projects more broadly, so we must ensure that HS2 provides broader connectivity than just to the areas it drops in at.

Mark Field (Cities of London and Westminster) (Con): It is fair to recognise that the right hon. Member for Holborn and St Pancras (Frank Dobson) makes a valid point about Euston station and the rail capacity of that particular area. Has the Secretary of State given any particular thought to the idea that there should be a nodal link at Old Oak Common, which would link up Crossrail and HS2, thereby ensuring that a large amount of the traffic that would otherwise get caught up in Euston is enabled to go through central London via a different route?

Justine Greening: I think that is such a good idea, which is precisely why it is part of the plan.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): It is essential that the UK has a high-speed rail network, and I welcome today's statement as it helps to achieve that. The Secretary of State said that she was considering how to include in the hybrid Bill a commitment to the whole of the Y network. Will she tell us more about that? Will she assure us that the money that goes to funding the very important high-speed rail network will not be at the expense of essential investment in the existing classic line to develop both passenger and freight services?

Justine Greening: I am actively examining how we can provide more legal assurance in relation to the full Y network. However, we ultimately have to recognise that if this high-speed rail line is going to happen, it will need political will above all else. What I am saying is that the Government have the political will to go ahead with this Y network and that is the thing that matters most. I can assure the hon. Lady that I intend to make sure that we continue to see that level of investment that our current railways so badly need.

Steve Baker (Wycombe) (Con): I was delighted to hear that additional protections for the Chilterns will reduce costs. Will the Secretary of State consider tunnelling the entire width of the Chilterns?

Justine Greening: Yes, I did that. That approach would have cost £1.2 billion and I believe it is unaffordable.

John McDonnell (Hayes and Harlington) (Lab): Because the Heathrow link will be in phase 2 of the project, my constituents will not know their futures until late 2014. Will the Secretary of State ensure that HS2 Ltd opens up its books and shares the information about the range of options it is considering for the link at the earliest stage?

Justine Greening: One of the things that we have always tried to balance is getting assurance about what our lead proposals are so as not to cause unnecessary blight and trying to share information with residents as soon as possible. I believe that we will be able to start informally consulting local groups later this year and in 2013. We will do the formal consultation—the sort that the hon. Gentleman has seen on the first phase of this route—in 2014.

Stephen Hammond (Wimbledon) (Con): I commend my right hon. Friend on her statement. Will she assure me that she was aware that the chief executive of Manchester city council said last week that this was a most significant decision for the north of England's economy? Will she confirm that she still expects the monetised value of the scheme overall to be in the order of £50 billion?

Justine Greening: I can confirm that when we look at the key people pushing for this scheme, we notice that the key economies and great cities in the north will see the benefits. The monetised total value is upwards of £40 billion, even £50 billion. Ultimately, however, we must recognise that that calculation takes place over a 60-year time frame. Anybody building the railways back in Victorian times would never have counted the benefit we get from them today, which is very real, and the potential benefit of HS2 is significant.

Mr Dave Watts (St Helens North) (Lab): Does the Secretary of State really think that people will believe the costings she has set out, given the past history of building railways and Government schemes? Will she give an assurance that the route will be extended to the north-west as, frankly, most people believe that they have more chance of travelling in the Tardis than on HS2?

Justine Greening: In terms of costs, there is safety in two things. High Speed 1 was delivered on time and on budget by the last Conservative Government. I aim to have a much better performance than we saw from the Labour Government on the west coast main line, where a £2 billion planned upgrade mushroomed to £9 billion. Finally, I can assure the hon. Gentleman that his constituents will see the benefit of phase 1 from day one. In many cases, the HS2 trains will be through-running trains that, having saved that time on the high-speed network, will continue their journey further north on conventional lines. I think that will benefit far more cities than just London and Birmingham.

Mark Pawsey (Rugby) (Con): May I advise the Secretary of State that today's announcement will be heard with concern in Rugby? We currently have an excellent service to London on the recently upgraded west coast main line, but we will be completely bypassed by High Speed 2. What steps will be taken to ensure that cities and towns on the legacy line will retain the speed and frequency of their existing rail links?

Justine Greening: High Speed 2 is critical for places such as Rugby, which have been so constrained by capacity on the conventional line. One of the benefits of

[Justine Greening]

HS2 is that it will free up capacity for better connectivity to places on existing lines, just like Rugby.

Alison Seabeck (Plymouth, Moor View) (Lab): Warrington gets its journey cut by half an hour—lucky Warrington. Plymouth is a bigger city than Warrington and we have no high-speed link to the south-west. As regards the concern raised by my hon. Friend the Member for Liverpool, Riverside (Mrs Ellman), the Chair of the Transport Committee, will the Secretary of State confirm that top-slicing will not happen to other budgets and that the south-west main line down to Penzance will still get further investment?

Justine Greening: We are about to continue the process on the high-level output specification, or HLOS2, and that will consider future investment in lines such as the great western line, which will be connected to HS2 via the Old Oak Common interchange. That will benefit the hon. Lady's part of the country as well as everybody else's.

Jo Swinson (East Dunbartonshire) (LD): I welcome the Transport Secretary's commitment to high-speed rail and the fact that she is keen to have discussions with the Scottish Government about extending the route to Glasgow and Edinburgh, which would bring additional economic benefits of some £25 billion and carbon reductions from more modal shift from air to rail. What does she see as the main barriers to making high-speed rail to and from Scotland a reality and how can we best overcome them?

Justine Greening: There are always barriers and challenges in dealing with such significant infrastructure problems, not least money and ensuring that finance is in place. As we have seen with phase 1, we must be incredibly careful that the route minimises the impact on local communities while maximising the economic impact that communities can get out of it. There is a long process to go through as regards talking with the Scottish Government, but I am keen to engage with them on it.

Graham Stringer (Blackley and Broughton) (Lab): The Secretary of State's statement will be welcomed throughout the whole of the north of England, as the chief executive of Manchester city council said, but there will be a worry in the back of some people's minds that we were promised trains through to Paris when the channel tunnel legislation was agreed but we did not get them and that the same thing will happen again. It is not just a matter of political will. People in the north would be reassured if the Secretary of State gave a commitment to align stations and resources to build the routes to Manchester and Leeds as soon as possible.

Justine Greening: I can give the hon. Gentleman that commitment. I certainly am not going to take any longer than we need to take to progress the full Y network. One aspect of the first phase that I have not mentioned yet is that it will connect HS2 through to HS1, so there will be that link directly to the channel tunnel and the European high-speed rail network, which will be hugely beneficial.

Mrs Anne Main (St Albans) (Con): I have serious concerns about this planned project, particularly regarding the business case. Will the Secretary of State comment on the comparisons that can be drawn with the high-speed rail links in Spain and France? In France, it was the major hub city of Paris that grew, rather than Lyon, and in Spain it was Seville that was caused expense as a price of the growth of Madrid city. There is concern in this country that the north might not get the projected benefit and that instead it might be London that grows and benefits.

Justine Greening: I have huge respect for my hon. Friend and I normally agree with her on most things, but I have looked at this case incredibly carefully. Let me say two things. First, cities such as Lyon and Lille have massively benefited from high-speed rail in France. Secondly, let us see what the north thinks. Manchester thinks this project is vital, Birmingham thinks this project is vital, Leeds thinks this project is vital and Sheffield thinks this project is vital. It is time to make it happen.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The Secretary of State will get a very warm welcome in Birmingham tomorrow, but that welcome might be even warmer if she gave a clear commitment to a purpose clause in the hybrid Bill and if she could bring that Bill forward to 2012 rather than 2013.

Justine Greening: I do not think I can add anything further to my comments about my commitment to the Y network. In terms of the time it will take us to develop the hybrid Bill, we are doing it as fast as we can. I want to make sure that the Bill comes to the House in a proper and robust state, and that means doing a proper environmental impact statement and working with local communities, which will take some time. This is a big project and we are going to get on with it, but I will make sure that it has the time that all that will take. At the moment, it looks as though the Bill will come to the House in late 2013.

David Mowat (Warrington South) (Con): With a benefit-cost ratio of over 2.5, HS2 is a much better business case than Crossrail, which has just been accelerated. Will the Secretary of State consider accelerating phase 2 of this scheme so that it can reach the north before 2032?

Justine Greening: I am looking at all the ways in which I can progress this project as fast as possible. At the moment, it looks as though the 2032-33 time frame is the fastest by which we can bring it to fruition. I hope that the House has seen today my desire to get on with this project and I will continually look at ways in which we can deliver it faster.

Mr Jim Cunningham (Coventry South) (Lab): Can the Secretary of State say what impact the proposal will have on the frequency of services from Birmingham to Euston?

Justine Greening: I think we will see a huge improvement. Not only will more capacity be released on the conventional lines, but the high-speed line will serve those stations.

Dr Julian Lewis (New Forest East) (Con): The previous Secretary of State for Transport is now running Defence, where we are implementing major cuts in each of the armed services. Does this Secretary of State understand why those of us who are concerned about other areas of Government wonder whether these priorities are not rather perverse in the present economic situation?

Justine Greening: I absolutely want to see the investment in our armed forces that we need for our country, but we also have to make sure that we look to the future for our transport system and the role that it plays in helping our economy to prosper, grow and create jobs. That is what today's announcement is all about.

Hugh Bayley (York Central) (Lab): The map that the Secretary of State published today shows the network continuing north of Leeds to join the east coast main line. Is she considering joining that at York, and is she aware that there is a major development site right next to York station? If that is her intention, she needs to state it early to make sure that the land is available.

Justine Greening: I am very grateful to the hon. Gentleman for flagging up that opportunity. I have no doubt that over the coming weeks and months he will want to set out some of those ideas in more detail. Over the course of this Parliament, we will be putting significant effort into developing High Speed 2—I think we will spend something like £750 million in total—and I am sure the hon. Gentleman will want to ensure that he puts his views forward.

Rehman Chishti (Gillingham and Rainham) (Con): Can the Minister clarify and confirm that real concern was expressed prior to the introduction of High Speed 1 in Kent, but since then there has been real economic regeneration and growth in the south-east and Kent?

Justine Greening: I absolutely agree with my hon. Friend, and I think it shows that we are right to get on with this project today, but we are also right to work with local communities, and they can see huge benefits from high-speed rail when it comes to their communities.

Katy Clark (North Ayrshire and Arran) (Lab): I welcome the Minister's statement. Elsewhere in Europe, high-speed rail has been kept affordable by keeping it in the public sector. Will she make a commitment that this will be kept in the public sector in this country?

Justine Greening: I cannot make that commitment. We are just at the business of assessing what the line route is—I made my decision on that today, and will continue to develop the phase 2 route. I think decisions about how the train service will be operated are ones for further in the future, but of course we will look to do what we think is best value for the taxpayer and the travelling passenger.

Iain Stewart (Milton Keynes South) (Con): The long-term benefits that High Speed 2 will bring to my Milton Keynes constituents will be welcome, by freeing up capacity on the existing line. However, there is overcrowding now, which will get worse before High Speed 2 opens. Will my right hon. Friend assure me that the Government will continue their impressive record of investment in the classic network, to meet demand in the period before HS2 starts?

Justine Greening: I can tell my hon. Friend that there will be 106 extra carriages serving his stretch of line, and I think that shows that this Government are committed to making sure that we get investment in our railways in the short and medium term as well as the long term.

Chris Bryant (Rhondda) (Lab): I am as keen on the Secretary of State for Wales as anybody else is, and I am delighted that the Secretary of State for Transport has done so much to keep her in her job, but can she be precise about the amount of money that is being spent on tunnelling in the constituency of the Secretary of State for Wales, because the total amount being spent in Wales on the railways this year is just £500 million?

Justine Greening: I would have thought the hon. Gentleman would be pleased, because the route that I announced today will see us spend less money in my right hon. Friend's part of the country. The way in which he has turned what I took to be the incredibly serious issue of this line impacting local communities in an area of outstanding natural beauty into a pure political point is a disgrace. The Secretary of State for Wales, alongside other MPs, has done a damn good job in representing her constituents, and I think she has probably been a lot more effective than he has been in the past.

Martin Vickers (Cleethorpes) (Con): I welcome the Secretary of State's announcement. Many of my constituents work at Tata Steel in Scunthorpe, where rail production is one of their most profitable lines. Can she give me a categorical assurance that everything possible will be done to ensure that the procurement procedures favour British-based companies?

Justine Greening: My hon. Friend will know that one of the things I am committed to doing in my role is to bring about a more strategic relationship, in terms of our procurement, with suppliers in the UK, and non-UK suppliers. I think that puts companies in production in the UK in a good position. There is unprecedented investment going into the railways at the moment. I have just announced the biggest railway infrastructure project that this country has seen in over a century. I think that is good news for Britain, but also good news for jobs and good news, hopefully, for companies like Tata.

Mr Andy Slaughter (Hammersmith) (Lab): The Secretary of State dismisses in one sentence the Select Committee's recommendation that the London terminus should be at Old Oak rather than at Euston. Will she look at that again, or at least publish the evidence on which she bases that view, and will she assure us that the mitigation will apply at least as much to Labour seats in west London as Tory seats in the Chilterns?

Justine Greening: We looked very carefully at where the HS2 line should terminate when it got to London. Our decision was that it was far better to terminate it in London than, as it were, at Old Oak Common, which would have seen people then have to transfer again.

[Justine Greening]

[Interruption.] The hon. Gentleman says Crossrail, but of course they would have to transfer on to Crossrail. That is an added advantage that they will have, but we believe it is far better for HS2 to come in to Euston.

I can assure the hon. Gentleman that I worked as hard looking at mitigation elsewhere on the line as I did looking at it in the AONB in the Chilterns, and I am committed to making sure that I continue to do that throughout this entire process.

Dan Byles (North Warwickshire) (Con): The Transport Committee's detailed report raised a number of serious questions about the business case and the technical assumptions behind HS2. It also made the clear recommendation that the Secretary of State should not make a decision on HS2 until she had addressed those questions. Can she explain why she has chosen to ignore that clear recommendation?

Justine Greening: I think my hon. Friend would be the first person to agree that the Transport Committee's overall comment on HS2 was that it was a good value-for-money project. The engineers have looked in detail at every aspect of HS2. I encourage my hon. Friend to look at the plethora of reports that we have put out today, many of them giving technical detail. I hope that will provide him with the confidence that he needs.

Mr Speaker: I appeal to the Secretary of State to look at the House so that we can all hear her answers.

Mr Mike Weir (Angus) (SNP): We welcome the commitment to HS2 and note what the Secretary of State said about the impact on Scotland, but will she now widen the remit of HS2 to allow immediate planning for extension further north and link-up with development in Scotland, rather than waiting the several years that it will take the hybrid Bills to go through this place?

Justine Greening: It is fair to say that our focus must be on making sure that the Y network and, in particular at this point, phase 1 of that network happens. I am happy to discuss with the Scottish Government their proposals and ideas for how we broaden that network further in the future.

Angie Bray (Ealing Central and Acton) (Con): I very much welcome the statement, particularly confirmation that the station at Heathrow will go through in phase 2. Does the Secretary of State agree that when phase 2 is completed and there is a direct link from the north to Heathrow, that should make a significant contribution to reducing the pressure of domestic flights at Heathrow?

Justine Greening: I agree with that. We have estimated that around 4.5 million air flights a year will transfer on to high-speed rail as a result of this.

Steve McCabe (Birmingham, Selly Oak) (Lab): I welcome the right hon. Lady's brave decision today. Like others, I am a little worried that if the legislative timetable is too long, the project may lose impetus and she may be a victim of election trimming. Will she reflect on those risks?

Justine Greening: I have, and that is why I am cracking on with it today.

Nadhim Zahawi (Stratford-on-Avon) (Con): Today's announcement has been welcomed by the business community in my constituency, including the chairman of the Coventry and Warwickshire local enterprise partnership, but many people are rightly concerned about the countryside. Does my right hon. Friend agree that it is vital to safeguard the countryside and its wildlife as far as possible for all the people who are living there today, as well as for those who will be living there tomorrow?

Justine Greening: I thoroughly agree. I have had a clear priority to look at how we can minimise the impact of this project on people, but in addition to that I have been careful to look at how we can minimise the impact more broadly on both the environment and of course wildlife, and I will continue to do that. The environmental impact statement process that we can now begin will enable us to do that in a far more detailed way. That is very welcome.

Stephen Timms (East Ham) (Lab): I welcome the statement. Greengauge 21 has pointed out that if some commuter services that currently run into Euston could be diverted on to Crossrail when High Speed 2 opens, that would create new through-services, which would be very welcome, could significantly reduce the demand for extra platform capacity at Euston, addressing one of the problems that has been raised in this exchange, and would also open up the possibility of a much better interconnection between High Speed 1 and High Speed 2 than the single-track proposal that is on the table at present. Is the Secretary of State looking at that idea for improving the position?

Justine Greening: We have reached a conclusion on phase 1, which I have announced, and we have looked at such proposals. Network Rail is now able to look at the possibilities arising from the released capacity on conventional lines. That has the potential to address some of the points that the right hon. Gentleman raised.

Geoffrey Clifton-Brown (The Cotswolds) (Con): I welcome today's announcement on an important piece of our national infrastructure. As such, will my right hon. Friend consider all of us who represent constituencies west of Heathrow and make sure that the connectivity from the west into the new network is as good as possible?

Justine Greening: Yes, I will. We are always looking at ways to improve that, and I welcome the chance to talk to my hon. Friend about it.

Barry Gardiner (Brent North) (Lab): The Secretary of State has rightly spoken of the need to offset biodiversity loss and mitigate environmental impacts on wildlife, but will she go one stage further and take this unique opportunity to look at developing migratory corridors that will give species that need to migrate northwards as a result of climate change the connectivity in the landscape to enable them to do so?

Justine Greening: The hon. Gentleman raises an important point, and I will be keen to look at the environmental opportunities presented by the project as well as the environmental challenges.

Nigel Mills (Amber Valley) (Con): This will be even more popular in Derbyshire if the trains are built at Bombardier. When will we know the detail of the location of the station for the east midlands and the route for the track, which is of some concern to my constituents?

Justine Greening: My hon. Friend will have been pleased, over Christmas, to see that Bombardier won the contract to produce train carriages for Southern Rail. We will be getting some initial views on the route later this year, and that is when we would like to see regions, areas and communities trying to reach some consensus on where those interim stations should be.

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): I welcome the statement and the accompanying Command Paper in relation to talk about the foundation for subsequent phases and extensions arising from the Y route. In her discussions with the Scottish Government, will she look specifically at the business case, and start to do so now, so that the vital impetus to ensure that HS2 benefits Scotland is not lost?

Justine Greening: We are getting on with our discussions. The Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), will be going to Scotland tomorrow, and I have no doubt that those conversations will start right now.

Chris White (Warwick and Leamington) (Con): Does my right hon. Friend work on trains when she is travelling around the country, and if she does, along with hundreds of thousands of others, does she not believe that that factor undermines a major plank of the business case for HS2?

Justine Greening: No, I do not. The fact the people rightly complain when they get delayed on a train and stuck in traffic shows intuitively that people place a huge value on their time, and rightly so. We use robust methods to value time in the business case, and they are absolutely correct.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): Timetables are important to railways. When does the Secretary of State expect to see the first high-speed train into Glasgow Central station running on high-speed rails?

Justine Greening: In theory it should be in 2026, when the high-speed line from London to Birmingham is complete and trains will continue up the west coast main line, and no doubt arrive in Glasgow. I know that the hon. Gentleman's underlying question was when the high-speed network will make it up to Scotland, and as I said on a number of occasions during the statement, I am very happy, indeed keen, to talk to the Scottish Government about their proposals for that in the future. In the meantime, the good news today is that we are getting on with phases 1 and 2. That has to happen in order for his desire to be fulfilled as well.

Jeremy Lefroy (Stafford) (Con): I thank the Secretary of State for her statement. The plans published today do not include any stops on the Y between Birmingham and Manchester, whereas there are two between Birmingham and Leeds. Businesses in north Staffordshire believe that a stop is essential to the development of the regional economy. Can she confirm that it is still under serious consideration?

Justine Greening: I will be very happy to talk to my hon. Friend about his desire for high-speed rail in his area, and then we can discuss those precise issues.

Susan Elan Jones (Clwyd South) (Lab): I congratulate the Secretary of State and thank her for her commitment to HS2 today. She will, of course, be aware that there has been a great deal of support from members of the public and from businesses in Wales on this. Can she confirm whether the Secretary of State for Wales, in her capacity as Secretary of State for Wales, made representations in favour of this, thus reflecting widespread opinion in Wales?

Justine Greening: The Secretary of State for Wales did her job both as a Welsh Secretary and as a constituency MP in talking to me about the benefits of the project, and I thoroughly agree with her that we have ended up with the right line, with the right mitigation.

Damian Collins (Folkestone and Hythe) (Con): My constituents in east Kent, who already benefit from High Speed 1, will be pleased to hear that there will be direct through services on High Speed 2 to the north and the midlands. Has the Secretary of State considered the economic benefit to Kent, East Sussex and east London of better connectivity with the major centres of the north and the midlands?

Justine Greening: Part of our business case for phases 1 and 2 is looking at the wider economic impacts. It is always difficult to monetise those properly, but I believe that they will include some of those positive impacts, and that over time we will see the benefit of a larger high-speed network nationally, bringing benefits not only to constituencies like my hon. Friend's, where the network already exists, but to other cities across the country.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I would be intrigued to learn how it is cheaper to develop a railway by digging a tunnel. How can the UK Government justify that decision, which it is reported will cost £500 million, made to keep the Secretary of State for Wales in post, while refusing even to electrify the main line to Swansea?

Justine Greening: May I just correct the hon. Gentleman's facts? Tunnelling under the Chilterns will save between £250 million and £300 million, rather than costing £500 million. I hope that that provides him with some reassurance that this will in fact be less expensive than it would otherwise be.

Greg Mulholland (Leeds North West) (LD): All of us involved in the cross-party, cross-sector and cross-riding campaign for a high-speed rail line to Yorkshire are absolutely delighted by the announcement. Because it is

[Greg Mulholland]

so important that it gets to the northern cities, can the Secretary of State assure us that in the legislation she will ensure not only that the line will be guaranteed to go to Sheffield, Manchester and Leeds, but that the two Ys will be built no more than six years after phase 1, as currently planned?

Justine Greening: My hon. Friend is right to urge me to push on with that, which is precisely what I will do. I do not think that I can add anything to my earlier comments on my desire to provide a concrete assurance that the Y will happen, but I reiterated on many occasions in my statement my intention to see the full Y network built.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I commend the Secretary of State for her decision. Many of the arguments for High Speed 2 cited reduced journey times, which are obviously important, but I have always thought that the arguments about capacity are equally compelling, particularly as investing in classic rail services would provide only two thirds of the capacity that we will get with high-speed rail. How great a factor was that in her decision?

Justine Greening: One of the most important parts of the decision was looking at the alternatives to see whether they could answer the critical capacity question that, as the hon. Gentleman points out, we face. High Speed 2 is the best answer to that question. I urge other Members who have asked themselves that question, but who have perhaps not done quite as much research as he has, to look at the Network Rail report published over the weekend, because it gives a compelling and robust assessment of some of the alternatives and sets out precisely why they would not have delivered the capacity that we so badly need.

Mark Menzies (Fylde) (Con): Businesses across Lancashire will welcome today's announcement on High Speed 2. When will the Secretary of State be in a position to lay before the House details of the region-by-region economic gain that HS2 will bring to the north?

Justine Greening: We have already looked at the wider economic impact, but I will see whether it is possible to break it down by region. There is no doubt that the broad overall economic impact of HS2 will be substantial.

Kelvin Hopkins (Luton North) (Lab): HS2 will not resolve the urgent need for additional rail freight capacity. To achieve significant modal shift for freight traffic we need a new route, built to UIC gauge C, enabling continental rail wagons and lorries on trains to be transported up and down Great Britain and to and from the continent. Will the Secretary of State look at the case for a dedicated rail freight route from the channel tunnel to Glasgow, for which a carefully designed scheme is already available?

Justine Greening: The hon. Gentleman is right to raise the critical issue of freight. I visited Felixstowe port earlier last year and talked to people there about the sorts of challenges they face and the investment that they feel is needed in the network, and I will continue to look at those opportunities. He emphasises the continued need for investment in the current conventional line while we get on with our proposals on high-speed rail.

Gavin Barwell (Croydon Central) (Con): I warmly welcome my right hon. Friend's announcement on what will be a significant improvement in national infrastructure. May I ask her about Old Oak Common in relation to the connectivity to Crossrail and the Great Western line? Would she also look at the possibility of connecting the high-speed line to the West London line so that people living in south London and the south-east can access HS2 without having to use the London underground?

Justine Greening: My hon. Friend raises the right point, which is that the plans for HS2 that we have announced and confirmed today will in future present broader opportunities to us and our transport system. I will be happy to discuss those with him in the coming weeks and years.

Mr Clive Betts (Sheffield South East) (Lab): The Secretary of State's announcement will be warmly welcomed in the Sheffield city region, particularly the fact that consultation on the route north of Birmingham will begin this autumn. However, at that time blight will begin for households and businesses. Will she therefore give an assurance that the decision on the route will be made as quickly as possible afterwards? When will compensation arrangements be in place for those affected?

Justine Greening: What will happen later this year is the start of an informal discussion with stakeholders in that region on where the route might go. The formal consultation is scheduled for 2014, precisely so that we can, I hope, minimise blight. As I think I have said very clearly to the House today, we will consult on a final package of property and blight compensation and mitigation later in the spring, which will help to provide some assurance to the hon. Gentleman's constituents that there is a structure in place to ensure that there is a package of support for people who are directly affected by High Speed 2 as it goes into phase 2.

John Howell (Henley) (Con): I welcome my right hon. Friend's decision and the measures that she has announced, which will benefit the Chilterns as a whole, but will she say a little more about the commitment that she has made about giving the public more opportunities to get involved as the project proceeds?

Justine Greening: Broadly, two things will happen. First, as I have said, we will consult on the compensation and blight package in spring. Secondly, we will set up structured working with local authorities and community groups on the environmental, planning and community challenges, to ensure that we can make the most of HS2 and take advantage of some of the opportunities for the environment as well as mitigating some of the downsides of going ahead with the project.

Stephen Pound (Ealing North) (Lab): Further to the question from my hon. Friend the Member for Sheffield South East (Mr Betts), commencement is a long way down the line, but the contemporary concern in my constituency is blight and the fear of blight. The right

hon. Lady has said that discussions on the details of mitigation will take place possibly this year and possibly next year. With respect, that is not good enough for Northolt, Greenford and Perivale. Will she tell me something today so that I can explain to those people that they will have their voices heard, particularly and specifically on mitigation?

Justine Greening: Yes, I can. The hon. Gentleman will obviously be aware of the bored tunnel under Ruislip, which will significantly help his area. I would also direct him to look at the document that we have issued today setting out our review of property issues. It talks in very clear terms about the next steps, and what will happen when.

Karen Lumley (Redditch) (Con): Will the Secretary of State reassure the residents of Redditch that High Speed 2 will come in on budget, and that it will bring massive economic benefits to constituencies in the west midlands?

Justine Greening: I hope that I can provide reassurance. We have certainly developed the calculations on costs in line with Treasury guidance, which is very conservative. Of course I will be aiming, if at all possible, to have the project come in under budget, although I suspect that there will also be others who will have to manage the costs over the coming years.

Phil Wilson (Sedgefield) (Lab): I commend the Secretary of State's statement this afternoon. Is she aware that the High Speed 2 announcement could bring benefits to the north-east of England almost straight away? Hitachi Rail Europe, which wants to build its train factory in Newton Aycliffe in my constituency, has announced that it will bid for the rolling stock to be made there when the time comes, which could bring jobs to Durham, the Tees valley and the north-east of England.

Justine Greening: The hon. Gentleman points out the very welcome investment from Hitachi in his area. Combined with the unprecedented investment that the Government are making in our railways today and in future, which I have announced today, that bodes well for creating more jobs building rolling stock in the UK.

Stephen Mosley (City of Chester) (Con): I warmly welcome my right hon. Friend's statement today, which will deliver massive long-term benefits for the north of England. However, during the construction phase of High Speed 2, it is likely that there will be significant disturbance to the existing west coast main line, in particular because of work at Euston station. Has she considered how to ensure that existing services are protected during construction?

Justine Greening: We will work in a very detailed fashion to make sure any disruption is minimised. The disruption will be significantly less than the disruption that there would have been if we had had a strategy of upgrades to lines, including the west coast main line.

Angela Smith (Penistone and Stocksbridge) (Lab): The Secretary of State gave a helpful hint earlier, when she said that she was considering covering the whole Y-shaped network in forthcoming hybrid legislation. Will she agree to meet a delegation of MPs from northern cities so that we may press the argument for its inclusion, which is amazingly and incredibly important to the whole north of England?

Justine Greening: I shall be happy to meet the hon. Lady. On that agenda, I would also like us to discuss some of the benefits that HS2 can bring to communities such as hers—one that I, of course, know very well.

Stuart Andrew (Pudsey) (Con): Coming from Yorkshire, may I enthusiastically welcome the Secretary of State's announcement? Does she agree that if we are to rebalance the economy from the south-east to the midlands and the north, constituencies such as mine, and the wider city of Leeds, need to become more attractive for business to invest in? Fundamental to that is ensuring that we deal with the overcrowding problems on our existing rail services. HS2 is the solution, and it is good for Britain.

Justine Greening: It certainly is, whether in terms of providing more seats for passengers in the future or relieving the huge pressures on the existing rail network. HS2 is a direct line for growth in our country, and I am absolutely delighted that we have been able to announce today that it is going ahead.

Julie Hilling (Bolton West) (Lab): I very much welcome the Secretary of State's announcement, as well as her commitment to the Y network and the ongoing improvement of the classic network. However, the northern hub is essential if we are to ensure connectivity so that local services are not disadvantaged by HS2. Will the Secretary of State commit to the full funding of the full northern hub project?

Justine Greening: We have already announced the electrification of the trans-Pennine railway line, which is a key part of how we can start to deliver some of the northern hub agenda. I am very happy about that, and we are indeed looking at what it means for the rest of the northern hub proposal as part of the HLOS2 review process, which is happening right now.

Mr Marcus Jones (Nuneaton) (Con): Fast services on the west coast main line to Nuneaton were drastically reduced under the previous Government in 2008, much to the displeasure of many of my constituents. Will my right hon. Friend explain whether HS2 will make the provision of fast services for my constituents better or worse?

Justine Greening: I certainly hope that it will give us the potential to make them better, and Network Rail is looking at precisely what the opportunities for the conventional rail network will be if we have capacity elsewhere via high-speed rail and High Speed 2. The problem we have at the moment is that the more constrained capacity is on the network, the more we have to prioritise where to connect to on the network to maximise passenger benefit, and that has, of course, caused pressure to reduce the network's connectivity. One of the best things about HS2 is that it starts to open up some real opportunities on the existing network to connect people better with the railway.

Jonathan Ashworth (Leicester South) (Lab): I welcome the Secretary of State's statement on high-speed rail. She will presumably agree—certainly with regard to phase 1—that commuters travelling from Leicester train station in my constituency will see no direct advantage, although I appreciate that phase 2 may be different. She will be aware that many of those commuters have been hoping for the electrification of the midland main line. Given her remark that she is ruling out short-term fixes, is she now saying there is no possibility whatever of electrification of the midland main line in the foreseeable future?

Justine Greening: No, I am not. We have the HLOS2 process, by which we can consider all such things. Again, I would encourage the hon. Gentleman to look at the Network Rail report, which is very clear-cut about some of the pressures there will be on the midland main line if we do not go ahead with High-Speed 2.

Graham Evans (Weaver Vale) (Con): I am delighted to welcome the Secretary of State's statement. This is the right decision for the whole country and will tackle the capacity challenge, create jobs in the midlands and the north and equip our economy for the 21st century. Will my right hon. Friend confirm that High Speed 2 will reduce carbon emissions, as well as switching people from road to rail?

Justine Greening: We hope that it can. It will result, on average, in about 4.5 million short-haul flights a year and about 9 million road journeys a year transferring to high-speed rail. Both those things will be good for the environment.

Sheila Gilmore (Edinburgh East) (Lab): Despite warm words from the Secretary of State about Scotland, I remain unclear about whether she is prepared to extend the remit of the HS2 company to include detailed route planning for Scotland. If she is, when will it happen?

Justine Greening: I ask the hon. Lady to give me a chance to get up to Scotland and meet the Scottish Government. I will be happy to meet her and other MPs representing Scottish constituencies to discuss the opportunities for the broader high-speed network. As she demonstrates so clearly, in countries that get on with high-speed rail, once one bit of the line is done there is pressure to do more of it. That is because it is incredibly successful and people can really see the benefits.

Esther McVey (Wirral West) (Con): Having worked closely with the north west business leadership team, I would like to welcome High Speed 2 on its behalf, given the arguments that have been made over many years about unlocking the potential of businesses in the north, assisting the rebalancing of the economy, and proper connectivity between the north and south. This is a national scheme in two phases but will the Secretary of State clarify the benefit to the north of England from phase 1?

Justine Greening: The principal benefit will be not just the high-speed link between London and Birmingham but the fact that it could connect to the west coast main line, which means that people will benefit from shorter journey times that persist as they continue their journey further north. That is really good news for people in that area.

Kevin Brennan (Cardiff West) (Lab): Did I hear the Secretary of State aright? Did she say that the Chilterns tunnel would cost £250 million to £300 million less than the cost would be without it? That raises the question why, if it is cheaper to tunnel, she is not burying the entire line. Will she please give us the true figure for building the tunnel?

Justine Greening: It will cost £250 million to £300 million less. The hon. Gentleman asked why we cannot tunnel the whole way under the Chilterns. Of course that is predominantly an engineering question concerning the amounts of spoil and the geographical nature of the land that we are going through. It is quite a complex question but the brief answer is yes, it really is more cost-effective.

John Stevenson (Carlisle) (Con): The Secretary of State said that the hybrid Bill could include phase 2. Would it not be sensible, if we have a hybrid Bill before us, to take the route all the way to Glasgow and Edinburgh, which would reassure those of us who live beyond Manchester and Leeds that there will be a high-speed network there at some point in the future?

Justine Greening: The short answer is no. If we did that, we would have to go through the laborious process that we had to go through to sort out phase 1 of the route. It is better to get on with that and then initiate the process of finalising the route as it goes further north.

Graeme Morrice (Livingston) (Lab): The disadvantage of being one of the last Opposition Members to be called is that people have already asked my question. But I will give it another go. I certainly broadly welcome the Secretary of State's statement and recognise her comments about the project's economic benefits for the entire United Kingdom—so long as the kingdom remains united, of course. I noted her reference to phases 1 and 2 of the project. Obviously, there was no specific mention of a phase 3 and the line's extension to Edinburgh and Glasgow in Scotland, although I accept the Government's aspirations in that regard. I also noted that on several occasions she told hon. Members that there would be discussions with the Scottish Government and Scottish MPs. I believe that such discussions, being long term and prolonged, should be structured. Will she publish a timetable for those discussions?

Justine Greening: I will consider how we can take forward discussions with the Scottish Government. Perhaps I can set out a few more details for the House in the near future.

Jason McCartney (Colne Valley) (Con): HS2 has the potential to tear down the north-south divide. With that in mind, does my right hon. Friend agree that support for, and confidence in, the project in the north of England would be massively enhanced if the building of the Manchester and Leeds legs began as soon as possible, at the same time as the London to Birmingham leg?

Justine Greening: We cannot do that, but for all the right reasons—because we have to go through the rigorous process of ensuring that we have got the line of route right. However, I can assure my hon. Friend that we will go through that process as fast as we can—but get it right—and then crack on with the rest of the Y-shaped network.

Guy Opperman (Hexham) (Con): In the north-east and Newcastle this decision is welcomed, both by business leaders and because it is good for the economy. Can the Secretary of State identify to what extent HS2 will free up existing rail capacity on lines to and from the north-east?

Justine Greening: We believe that it will have the potential to free up significant capacity. As for the potential that this will create for the conventional rail network on new routes and new station stops, Network Rail has been asked to do that work and will report to me later in the year. I look forward to reading that work with interest, and to sharing it with the House.

Christopher Pincher (Tamworth) (Con): My right hon. Friend will be aware that many people believe the present exceptional hardship scheme to be inconsistent and unfair. Can she confirm that her proposed refreshed hardship scheme will be consistent and will ensure that anybody affected by blight who wishes to move will be properly compensated? Those people should not be penalised for living in the wrong place at the wrong time.

Justine Greening: I have been keen to look at what we can do to improve the effectiveness of the hardship scheme. My hon. Friend will know that we have received around 240 applications from people. With the finalised line of route, some of those will obviously be from people in areas that will now see real mitigation. The point of the consultation, which will happen in the spring, is to ensure that we finalise those details. I very much urge him and his constituents to respond to the consultation, so that we can reach a final version of the scheme that delivers what we want, which is a fair deal for the people affected.

Mr Philip Hollobone (Kettering) (Con): In commissioning HS2, will my right hon. Friend avoid the mistakes of the previous Government in drawing up the contract tender specifications for the last Bombardier contract, and do all in her power to ensure that as much of the materials, construction work and rolling stock for High Speed 2 as possible is provided by British firms, providing British jobs for British workers?

Justine Greening: This Government have a laser-like focus on ensuring that our country becomes more competitive and creates more jobs. We are now back in the top 10 nations in the World Economic Forum ranking for the first time in many, many years. I believe that our companies are well placed to take advantage of the investment that we are making, and that is certainly what I want to see happen.

Kris Hopkins (Keighley) (Con): I welcome this important announcement. Will my right hon. Friend ensure that high-quality engineering and construction companies in the north of England have a fair chance of bidding for some of the £33 million, and that it does not become just an opportunity to refill southern coffers?

Justine Greening: I have no doubt that companies in my hon. Friend's part of the country will be extremely well placed to bid as well as anybody else, in any other part of the country, to take advantage of some of the economic benefits coming from this project.

Mr Ben Wallace (Wyre and Preston North) (Con): I think that I am on the slow line, Mr Speaker. I warmly welcome my right hon. Friend's announcement today about High Speed 2. As a good northern girl, she will know that the north of England does not start and stop at Leeds and Manchester. On the route map published today, it seems that High Speed 2 on the north-west line extends further north than Manchester, perhaps to what looks like Preston. Will she give serious consideration to ensuring that Preston is included in phase 2, so that Lancashire and one of the hubs of British manufacturing get direct access to the south?

Justine Greening: I am delighted to tell my hon. Friend that places such as Preston will gain from phase 1, in terms of connectivity between the west coast main line and HS2. I am as passionate as he is about ensuring that his area has excellent railway links, and we are looking at developing the HLOS2 proposal for shorter and medium-term funding in our railways. I have no doubt that he will continue to represent his constituents' needs to us as powerfully as he just did, and I will continue to pay very close attention to them.

Mr Speaker: Seventy-four hon. Members have been able to question the Secretary of State in 59 minutes of exclusively Back-Bench time, so I thank colleagues for the succinctness of their questions, and the Secretary of State for the succinctness of her answers.

Scotland's Constitutional Future

5.9 pm

The Secretary of State for Scotland (Michael Moore): With permission, Mr. Speaker, I would like to make a statement on Scotland's constitutional future in the United Kingdom.

In May 2011, the Scottish National party won a significant electoral victory—a victory that this Government have openly acknowledged. The SNP has consistently campaigned for Scottish independence, and its 2011 manifesto included a pledge to hold an independence referendum. As a Scot, I think that it is vital that the Scottish people make a clear decision about our future within the United Kingdom: a decision made in Scotland, by the people of Scotland. At present, however, there is a lack of clarity about the referendum, its outcome, and what the implications of that outcome would be, all of which creates economic uncertainty. That is bad for jobs and investment.

Since last year's election, we have been asking the Scottish Government to set out their plans for a referendum, but so far they have not done so. In particular, they have not said anything more about their legal power to deliver a referendum. This is not an issue that can be ducked. To legislate for a referendum on independence, the Scottish Parliament must have the legal power. It is this Government's clear view that the Scottish Parliament does not have that legal power.

Scotland's future within the UK will be the most important decision we, as Scots, take in our lifetime. It is essential that the referendum is legal, fair and decisive. As a Government, we have been clear since May 2011 that we will not stand in the way of a referendum on independence, but neither will we stand on the sidelines and let uncertainty continue. Any referendum must let all of us in Scotland determine our future clearly and decide whether to stay part of the longest, most successful partnership of nations in history. That is why we are publishing a consultation to seek views on how to deliver a legal, fair and decisive referendum. For a referendum to take place, legislation is required. That will ensure that any referendum, on any issue, is subject to detailed consideration and debate, and to clear and consistent regulation.

In 2010, the Scottish Government published plans to legislate for a referendum on independence. We have considered those plans carefully against the devolution settlement in Scotland as set out in the Scotland Act 1998. The 1998 Act is clear: the Scottish Parliament cannot legislate on matters reserved to this Parliament. Among the issues that are reserved is the constitution, including "the Union of the Kingdoms of Scotland and England". Any Act of the Scottish Parliament that "relates to" a reserved matter is quite simply "not law". Whether or not a Bill "relates to" a reserved matter depends on its purpose and effect. We are clear that the Scottish Government's purpose in bringing forward a referendum is to secure independence. Their intended effect is to secure a mandate for negotiating this. Both purpose and effect relate directly to the reserved matter of the Union. Any distinction between a binding or advisory referendum is artificial. As the law stands, an independence referendum Bill is outside the competence of the Scottish Parliament. Such a Bill could be challenged in court, and it is our view that the Scottish Government would lose.

The consultation paper that I am publishing today sets out different ways to deliver a legal, fair and decisive referendum. It explains how the powers for a referendum could be devolved under the section 30 order-making provisions in the Scotland Act 1998, which is our preferred approach. It also invites views on devolving the powers using other legislation, including the current Scotland Bill, and seeks opinions on the possibility of running the referendum directly.

Given the clear legal problem that exists, we want to work with the Scottish Government to provide the answer. This is not about the mandates of Scotland's two Governments, or about who calls the shots. It is about empowering the people of Scotland to participate in a legal referendum. That means that the UK Government are willing to give the Scottish Parliament the powers to hold a referendum, which it cannot otherwise do legally. As well as being legal, however, a referendum must be fair and decisive. For those reasons, the rules of the referendum must be demonstrably above board. The referendum should be overseen by those who have neutrality and the proven expertise to inspire confidence in the fairness of the process, such as the Electoral Commission.

These issues are not for politicians alone to consider. That is why the consultation process that starts today will let people express their views on when a referendum should be held, what question should be asked, who should be entitled to vote and how the campaign should be run. It will be open to all people in Scotland—and, indeed, outwith Scotland—to make their views clear, rather than rely on the opinions of politicians. It is in everyone's interests that the two Governments take on board the needs of Scotland and the opinions of its people, work together, and deliver the legal, fair and decisive referendum that is in our common interests.

The Government believe passionately in the United Kingdom. For over 300 years our country has brought people together in the most successful multi-national state the world has known. This Government are clear that independence is not in the interests of Scotland. The United Kingdom brings strength to Scotland; Scotland brings strength to the United Kingdom. We recognise that this is not a view shared by all, but politicians from both sides of the debate owe it to everyone in Scotland to ensure that the referendum is delivered in a legal, fair and decisive way.

The future of Scotland must not be worked out in secret, behind closed doors, nor determined by wrangling in the courts. It is my task to ensure that this referendum is made in Scotland by the people of Scotland for the future of Scotland. I commend this statement to the House.

Margaret Curran (Glasgow East) (Lab): I thank the Secretary of State for sight of the statement before its announcement this afternoon. As a consequence of the result of the Scottish elections in May, we accept that the Scottish National party has a clear mandate to ask the people of Scotland whether they want to remain part of the United Kingdom. There is absolutely no doubt that this referendum will take place; what all the political parties must now do is work together to make sure that the referendum is fair, legal and commands the complete authority of the Scottish people.

In the light of the Secretary of State's statement, we have some further questions and concerns that I hope he will address in his response. I begin by asking the

Secretary of State how he plans to take forward his proposals and his plans for consultation on the section 30 order.

Secondly, I understand that without publishing any of their own legal advice, the Scottish Government are contesting the authority of the legal advice held by the Secretary of State. What assurances can he give the Scottish people that the advice he holds rests on a sound foundation—a foundation that is robust and authoritative on this issue? To ensure maximum transparency, does he plan to publish his legal advice, and would he recommend that the Scottish Government do the same?

Thirdly, Scottish Labour is clear that any question on separation must be a straight yes or no choice. We therefore welcome yesterday's acknowledgement by the Deputy First Minister of the Scottish Government that this is also the preference of the Scottish National party. Will the Secretary of State confirm that this is the position of the coalition parties, too? If so, it is important to recognise that, in respect of Scotland, all four major political parties are in agreement that there should be a straight choice of a yes-no referendum. That is a highly significant development.

Fourthly, will the Secretary of State confirm with absolutely clarity today whether the UK Government support the involvement of the Electoral Commission in the conduct of the referendum? The Electoral Commission has overseen referendums in Wales and the rest of the United Kingdom this very year, and it has the highest level of confidence and respect in overseeing the referendum as a non-partisan arbiter. We are of the opinion that it is the body best placed to oversee the referendum. Does the Secretary of State share that view?

Which Minister will lead the consultation? Will it be the Secretary of State himself, or will it perhaps be the Chancellor? The United Kingdom Government appear to have sent out the wrong signal by allowing the Chancellor, rather than the Secretary of State for Scotland, to take the lead on a vital Scottish issue in the Cabinet.

As the First Minister asserted last May, the sooner the vote on the future of Scotland is held, the better. Scotland's economy is flatlining. One in four young Scottish men is out of work. We are told that Scotland now faces record levels of child and family poverty. What we cannot afford to do is spend the next four years obsessing about the process of a referendum. Now is the time for parties to work together, get on with the debate, and get on with deciding where Scotland's best future lies.

The Scottish people face a momentous decision in the referendum. What Labour will not do is sit back and support a process that turns into a petty fight between the two elements that Scotland rejects—separation and the Tories. Scotland deserves better than politicians bickering about the process. We must move as quickly as possible to a debate of substance that puts Scotland's people and Scottish interests first.

Michael Moore: I entirely agree with what the hon. Lady has just said about the need for us get on with the debate, and to ensure that the Scottish people and Scottish interests, not the interests of politicians in different political parties, are at the heart of it.

I am delighted to confirm that—as the hon. Lady will see if she reads the consultation paper, and as is clear from the fact that I made the statement today—I will lead for the Government, working with all my colleagues.

As I acknowledged in my statement, the Scottish National party secured an important victory in the elections last year. It had set out its clear intention of holding a referendum, but what was not so clear was how it would do that. As I have said, we believe the legal position to be that the Scottish Parliament does not have the power to conduct any kind of referendum, and it is therefore important for us to work with the Scottish Government to ensure that we can get on with this historic decision.

The hon. Lady asked how we would consult. The consultation document offers people throughout Scotland the opportunity to write and involve themselves in the process. I will of course be going out and about in Scotland myself, and I am sure that many others will also involve themselves in the debate. It is important that everyone in Scotland is able to feel part of the process.

The hon. Lady will be aware of the ministerial code and the convention followed by successive Governments that legal advice is neither acknowledged nor published. However, I ask her to look carefully at the consultation document and to note the authority that we are bringing to bear, namely sections 29 and 30 and, in particular, schedule 5 of the Scotland Act. I believe that careful examination of those documents will lead to only one clear conclusion: that there is no legal authority for any referendum. We must ensure that that issue is resolved.

The hon. Lady asked whether I, like her, support a simple, straightforward yes-no question on Scotland's place in the United Kingdom. That is indeed what we are recommending. As for the issue of oversight, I think it entirely fair and reasonable for the process of a referendum to be overseen by a body that has widespread experience, is neutral, and is seen to be above and beyond the fray. The Electoral Commission seems to me to fit the bill, but I look forward to hearing the reactions of others during the consultation.

Mr John Redwood (Wokingham) (Con): What do the Government propose should happen to the shared debts and the shared membership of the European Union were Scotland to leave the Union?

Michael Moore: The right hon. Gentleman asks an important question. I am sure that it is one of many that will be at the heart of the debate about Scotland's future when we come to the referendum itself, but for now I want to ensure that we can get on with the proper substantive debate.

Mr Jack Straw (Blackburn) (Lab): May I pick up on the important point made by the right hon. Member for Wokingham (Mr Redwood)? During the referendum campaign, there will be claim and counter-claim about the adverse or beneficial effects for the people of Scotland, and by extension for the people of the other parts of the United Kingdom, of separation or retention of the Union. Will the Secretary of State consider, in consultation with all the parties, drawing on the experience of the Office for National Statistics, the Statistics Authority and the Office for Budget Responsibility and deciding whether a body should be set up to provide authoritative

[Mr Jack Straw]

factual information about the consequences of separation and union, so that when there is an argument it is at least an argument on a common currency?

Michael Moore: The currency question will, of course, also be an issue in the referendum debate. The right hon. Gentleman draws on a lot of experience of the relevant legislation, and he makes an important point. When we hold the substantive debate—which must happen sooner rather than later—it is important that we can turn to agreed sources of information. We can consider that issue at a later date, but I accept the point the right hon. Gentleman makes.

Sir Menzies Campbell (North East Fife) (LD): I am well aware of the convention that Governments do not publish legal advice, but, as my right hon. Friend has pointed out, this is a decision that can almost be described as unique because it would bring to an end hundreds of years of history. May I therefore urge him to reconsider whether the advice received by the Government should be published so as to achieve the clarity that the right hon. Member for Blackburn (Mr Straw) spoke about in relation to statistics?

I welcome today's announcement, especially because political, economic and social uncertainty for the next two years would be deeply damaging to the people of Scotland. Does my right hon. Friend join me in wondering why those who are so confident of the case for independence are so unwilling to countenance a referendum now? Could it be that the bravehearts are no longer quite so brave as before?

Michael Moore: My right hon. and learned Friend makes an important point: over the past few months they have been strangely quiet about the need to get on with this referendum on an issue for which they have campaigned over many generations.

I am grateful to my right hon. and learned Friend for welcoming today's announcement. In respect of the legal advice, may I advise him to look carefully at the consultation paper and the clear view about the authority in the Scotland Act? I am absolutely certain that that opinion is right, and as a result we need to ensure that the Scottish Parliament has the authority to pass a referendum Bill and get on with addressing this most important decision.

Angus Robertson (Moray) (SNP): I am grateful to the Secretary of State for his timeous sharing of the statement in advance of his making it today.

Last year, the Scottish National party won an historic landslide victory on a platform to hold a Scottish independence referendum in the second half of the Scottish Parliament. The Conservative party, the Liberal Democrats and the Labour party opposed an independence referendum, and each one of those parties lost heavily in the election, so why are this Westminster Government trying to dictate terms about the referendum to the democratically elected Scottish Government, who have a mandate on this issue? Specifically, why are the Westminster Government seeking to dictate the date of the referendum and the questions on the ballot paper, and why are they seeking to exclude 16 and 17-year-olds from this important and historic referendum?

Michael Moore: I do not know how often I have to acknowledge the SNP's victory of last year before the hon. Gentleman hears me say it, but I am happy to repeat that I recognise its victory of last year. I am surprised that he has such a problem with the law, however, because I am sure that an independent Scotland would want to be governed under the rule of law. Therefore, I think it is in all our interests to ensure that the legal basis of any referendum is clear. I am saying to him that it is not there—it is not possible to have a legal referendum. It does not matter whether it is "advisory", "legally binding" or whatever one calls it: a referendum has to be legal, and the authority is not there. What I am offering the hon. Gentleman, the First Minister and all his party is a way by which all of us in Scotland can get on with this decision without needing to have it made by the courts, rather than by people going to the ballot box.

The hon. Gentleman referred to the terms on which we might do this. I repeat: we are consulting. We are asking people across Scotland—and those elsewhere who may have an opinion—to tell us what they think of our proposals. We want to do this together, between the two Governments, and I hope he will encourage his colleagues there to get alongside us and work with us.

As far as the date is concerned, there is no date in the consultation paper and the draft section 30 order that we are publishing. Regarding the ballot paper, I heard the Deputy First Minister say yesterday that she preferred having a single question, so it is quite useful to get on and do what she, as well as the rest of us, wants to do.

On the franchise, we are suggesting that the same franchise that was the right basis on which the First Minister and all his colleagues in the Scottish Parliament were elected should be used to determine this historic decision. As far as 16 and 17-year-olds participating is concerned, there is an entirely fair debate about their role in the electoral system generally, but it should not be focused around a single electoral event to suit one party or another. Let us just get on with the debate on the fairest of terms; that is what we are offering.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I welcome my right hon. Friend's statement, simply because it is high time that the debate about Scottish nationalism that has been raging in Scotland should be debated here in Westminster, too. However, does he agree that there can be no question of holding a referendum that is legal, fair and decisive unless the proposal on the ballot paper is absolutely clear? Generally, I have to say I favour post-legislative referendums.

Michael Moore: It is important that we have a legal referendum that is conducted fairly, and that is decisive. I would like to see it sooner, rather than later. It is damaging to Scotland and its economy, affecting jobs and investment, if we simply have a long delay. I want to ensure that we have a proper debate about when that should be, and in this consultation we set out the way we can sort the date of the referendum, by agreement.

Ann McKechin (Glasgow North) (Lab): There has already been a great deal of noise as a result of this afternoon's statement, but it is very clear that the people of Scotland will not take to people playing games with their constitutional future. They will expect both

Administrations to work together to find a solution to the problem that the Secretary of State has indicated today. Will he provide us with more information about how he will consult and negotiate with the Scottish Government? Will this matter be referred to the joint ministerial council and, if required, be subject to its dispute procedure?

Michael Moore: I am grateful to the hon. Lady for her welcome for this. I absolutely agree that people in Scotland will not thank any of us, from any political party—whether we were elected in Scotland to serve here in the House of Commons, or to serve in the Scottish Parliament—for playing politics with this most important process, leading to the most important decision we will ever take as a country. I therefore agree with her that it is important, as I have set out in my statement today and as we say in the consultation paper, that the two Governments work together. I spoke earlier this afternoon to the First Minister and asked him to consider carefully what is in the consultation paper. I look forward to meeting him early on to discuss it further.

Mark Lancaster (Milton Keynes North) (Con): Given the economic implications of an independent Scotland for my constituents, when will the English finally get a say on the future of the Union?

Michael Moore: I have to say to my hon. Friend that it is important that the people of Scotland decide their place in the United Kingdom. I am confident that when they do so they will vote to stay within the United Kingdom.

Michael Connarty (Linlithgow and East Falkirk) (Lab): May I commend the Secretary of State for the balance with which he has approached this, unlike the leader of the sulking six from the SNP on my left? It is very important that we get it clear that this is not the end of the debate about the powers for Scotland; this is only about the referendum on being in or out, which I happen to think is 13 years too late, as it should have been on the ballot paper in the first devolution referendum. Is it clear that we can continue with the debate, for some of us aspire to give more powers to Scotland within the United Kingdom?

Michael Moore: I absolutely agree that there is a legitimate debate to be had about the powers that Scotland has within the United Kingdom. We have spent a long time on this in this House and their lordships will now consider the Scotland Bill, which will significantly enhance the powers of the Scottish Parliament, creating much greater financial accountability and giving it much greater economic powers. I believe that the debate on devolution will continue; all of our parties, be it the Labour party, the two parties in the coalition or the SNP, will continue to debate it. However, when we have extended the powers of the Scottish Parliament it has always been on the basis of a vigorous debate, where parties set out their stalls, there is a coming together as we develop consensus, as we did in the constitutional convention and in the Calman commission, and then legislation based on that consensus. That offers the best model for giving further powers to the Scottish Parliament, but we now have huge uncertainty because of this prospect of an independence referendum. I want to get rid of the uncertainty. Let us get on with the debate about Scotland's place in the United Kingdom.

Malcolm Bruce (Gordon) (LD): Further to that point, does my right hon. Friend accept that the dynamic of transferring power from Scotland to England is something for which our party, the Liberal Democrats, has fought for decades and has delivered for Scotland, that that process can continue only within the dynamics of the United Kingdom and that it should not be used to confuse a question about whether the people of Scotland can decide whether to stay in the United Kingdom? Does he welcome, as I do, the indication from the SNP that finally it will stop confusing the electorate of Scotland and give us a straight question: are we going to stay in the UK or not?

Michael Moore: I absolutely agree with my right hon. Friend. Various suggestions about "devo max" have been thrown around without any definition of what it might be and nobody has been willing to stand up and say that it is actually what they want to put forward themselves. Of course I agree with him that the Liberal Democrats have proudly proposed ways to modernise the United Kingdom constitution, and all parties in this House will continue to do that. What matters for now is that we get on and have a clear and decisive decision about our future, and I welcome the Deputy First Minister's comments yesterday.

Anas Sarwar (Glasgow Central) (Lab): I broadly welcome the Secretary of State's statement. Clearly the SNP won a mandate for a referendum, but now that it has won that mandate it is no longer the SNP's or Alex Salmond's referendum, but Scotland's referendum, because Scotland's political future is way more important that any political party or individual politician. So does the Secretary of State agree that all political parties, and civic society, must come together in the best interests of the people of Scotland and decide when that referendum should take place?

Michael Moore: First, may I congratulate the hon. Gentleman on his new role within the Scottish Labour party? I am sure that he will be travelling the length and breadth of the country to make the case that he was just making, among other things. As for his central point, I agree that it is important that people of all parties, and those of none, get involved in this debate, so that all the people of Scotland are engaged in resolving the process and then getting on with the real debate.

Mrs Eleanor Laing (Epping Forest) (Con): Given the astounding arrogance of the SNP in refusing to acknowledge that the Scottish Government simply do not have the legal power to hold a referendum, is the Secretary of State aware that most people, in all parts of this United Kingdom, welcome the fact that he and the Prime Minister have taken the initiative to allow a referendum and let the voice of the Scottish people be heard—not at some historically sentimental point in the future but as soon as the consultation is cancelled—because Scotland and the UK need clarity and certainty now?

Michael Moore: My hon. Friend expresses her disappointment in her usual characteristic style. I, too, hope that the Scottish National party and the Scottish Government will engage constructively and recognise the fact that it is in the interests of people across Scotland that the two Governments work together, get rid of this legal problem and get on with having the referendum on Scotland's place in the United Kingdom.

Pete Wishart (Perth and North Perthshire) (SNP): Will the Secretary of State please pass on our most sincere and deepest gratitude to his right hon. Friend the Prime Minister, because his clumsy and inappropriate steps into the constitutional question have led to thousands of people giving their support to the SNP and the independence cause? There are lots of the Secretary of State's friends on the Front Bench and lots of his Tory friends on the Back Benches—will he encourage them to come to Scotland? The yes to independence cause needs to hear from the Conservatives.

Michael Moore: There was I hoping that the new year would bring a generous new spirit from the hon. Gentleman but, as ever, I am to be disappointed. I love the fact that he wants to get on with the debate—that would make a refreshing change from where the SNP has been for the past seven months.

Mark Menzies (Fylde) (Con): As the Secretary of State will no doubt be aware, a number of respected economic institutions, including Citigroup, have highlighted that the prolonged uncertainty over Scotland's future is costing investment and, ultimately, jobs in Scotland. When the Secretary of State next meets the First Minister of Scotland, will he ask him what he is feart of in putting the decision in front of the people of Scotland now?

Michael Moore: I might put it slightly differently. I have already suggested to the First Minister—and I intend to continue this discussion—that whatever our differences about the future of Scotland, it is important that we have a proper debate. I believe Scotland is far stronger as part of the United Kingdom and that the United Kingdom is much the stronger for having Scotland as part of it, whether we think about the economy, our defence, our welfare system or our international clout as Scots within the United Kingdom. I hope that we will get on with that debate, but in the meantime let us get a legal, fair and decisive referendum in progress.

Mrs Anne McGuire (Stirling) (Lab): Over the past 30 or so years, the one constant in constitutional development in Scotland has been the fact that the Scottish National party has held to the position that its only position is independence for Scotland. Does the Secretary of State agree that it is faintly surreal that now that the Administration in Edinburgh have been offered the opportunity to have a legal basis on which to hold a referendum that might give them their life's ambition, they now appear to be rejecting it? Is that not an utterly bizarre position for a party that has not participated in the constitutional development of Scotland over the past 30 years?

Michael Moore: The right hon. Lady makes an important point. In all the discussions over many decades about enhancing Scotland's powers within the United Kingdom, the SNP has set its face against being part of that process. Occasionally, late in the day, it has joined in, but it has mostly turned its back. That is one thing, but to turn its back on a process that would enable a referendum on its life cause and its entire mission in politics is very odd indeed. I hope that when SNP members reflect carefully on the proposition, they will see that it is very reasonable and sets out a fair basis on which we can get on with the referendum and ensure that all people across Scotland can make this most historic of decisions. I believe that when they do, they will decide to stay within the United Kingdom.

Mr William Cash (Stone) (Con): Given that Scotland is in the European Union by virtue of a United Kingdom treaty as implemented by the Westminster European Communities Act 1972, does the Secretary of State accept that if there were to be an independence yes vote, that would require a referendum of the United Kingdom as a whole?

Michael Moore: Until almost to the end of that question, I thought that for once I might be in agreement with my hon. Friend on a matter to do with Europe. He is right to raise the issue of Europe because Scotland's membership of the European Union, were we to become an independent country, could not be taken for granted. There would have to be a process for getting into the EU, which is vital for our economy. On that basis, I hope we will find common cause.

Mr Brian H. Donohoe (Central Ayrshire) (Lab): I seek an assurance from the Secretary of State regarding the uncertainties that arise by virtue of the time being taken to get to the point where we have a referendum, which are very damaging for inward investment possibilities. Right now I am trying to get inward investment of some size into my constituency, but it is highly probable that as a consequence of all this the high levels of unemployment in my constituency will remain. Can he assure me that this process will take place sooner rather than later?

Michael Moore: The hon. Gentleman makes a really important point about his constituency. I am aware that huge decisions are being contemplated not just for his part of Ayrshire but for all parts of Scotland, and investors do not like uncertainty. We have seen the Citigroup report and the observations of the CBI and the Institution of Mechanical Engineers. It is bad for Scotland and for the UK to have this uncertainty. I want to see the referendum sooner rather than later and we will do everything in our power to ensure that we can do that.

Mrs Anne Main (St Albans) (Con): I am really pleased that my right hon. Friend the Prime Minister has grasped this particular thistle. If there is an intention to build HW2, or Hadrian's Wall 2, surely we need to know because many large projects will stop short of Scotland should the Scots not wish to be part of the Union.

Michael Moore: I do not know how many questions the Secretary of State for Transport took on High Speed 2, but that was a clever and ingenious further question. My hon. Friend is entirely right to highlight that for High Speed 2 to get to Scotland, everybody would need to work together, but with an independent Scotland who knows what they might think of that. Let us not forget that it is not just High Speed 2 that is relevant. Lots of defence projects in Scotland are hugely dependent and are part of the Scottish economy, whether they are on the Clyde or in Fife. For many reasons I think that Scotland should continue to be within the UK.

Ian Lucas (Wrexham) (Lab): Is it the UK Government's position that the referendum should take place within 18 months of today?

Michael Moore: No. If the hon. Gentleman looks at the consultation paper, he will see that no date was set in the consultation. I certainly believe it should be sooner rather than later and I hope to persuade the Scottish Government and people across Scotland that we should have it as soon as possible. However, 18 months is not the position of the Government and is not in the consultation document.

Mr Alan Reid (Argyll and Bute) (LD): I welcome the statement. The Electoral Commission is independent and is the only body with the expertise to oversee this referendum. Does my right hon. Friend agree that it would be an outrage if the referendum proceeded as per the SNP's draft Bill whereby it would be overseen by a body that would not be independent of the Scottish Government? The SNP has a mandate to hold a referendum not to rig a referendum.

Michael Moore: I absolutely agree that it is vital that people can have confidence in the referendum process, that it has a legal basis, that it is fair and that it will get a clear, decisive outcome. The role of a body such as the Electoral Commission will be vital because only through its neutrality, independence and experience can we get the necessary confidence so that the process and rules are not an issue. I hope that as we discuss and debate this issue across Scotland people will agree that the commission is the right body to oversee the referendum.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): The Secretary of State has already responded to a question this afternoon about the eligibility of 16 and 17-year-olds to vote in the referendum. I have only had a chance to have a fairly cursory look at the draft order attached to his consultation paper, but perhaps he can clarify whether it will be the case that European citizens living in Scotland will be eligible to vote in a referendum but 16 and 17-year-olds will not. I understand the pressures of government, but will he support his own party's policy—it has been a long-standing proponent of 16 and 17-year-olds having the vote—and support the rights of 16 and 17-year-olds to vote?

Michael Moore: What we are proposing is the same franchise as was good enough for the First Minister and every MSP in the Scottish Parliament. I find it slightly strange that people would argue that was not somehow a legitimate franchise on which to be elected. As to my own party's position, I was clear about that earlier on, but I also made the point—I hope the hon. Lady would accept this—that we can argue about the role of 16 and 17-year-olds in the democratic process legitimately for all elections and all referendums and electoral events; to pick it out on one moment and to apply it in these particular circumstances would, I think, be wrong. But let us have the debate; let us see what people across Scotland believe.

Mr Speaker: Seeking now single supplementary questions of stunning succinctness, my eyes look no further than Dr Julian Lewis.

Dr Julian Lewis (New Forest East) (Con): I knew that would be the case. Does the Secretary of State believe that there is any danger of the SNP boycotting a legitimate referendum, and if so, what would be the outcome if the vote were in favour of remaining in the United Kingdom?

Michael Moore: The hon. Gentleman invites me to consider a hypothetical question, which I do not believe will be the reality. I think it is important—and I believe it would be very strange if the Scottish Government did not—that they engage in the process of discussing this and that they consider the aspects that we are putting forward in the consultation today about providing a legal basis for a referendum and having a fair process and a decisive outcome. I think that that is important, and it would seem very strange if the Scottish Government were to turn round and say they did not want to be part of that process.

Mr Jamie Reed (Copeland) (Lab): Deciding about independence is, of course, the sovereign right of the Scottish people and has consequences for the rest of the citizens of the United Kingdom. Will the Secretary of State raise with the Scottish Government the precise date upon which the radioactive materials from Scotland stored in my constituency will be returned to Scotland in the event of independence? *[Interruption.]*

Michael Moore: A colleague says from a sedentary position that that is a toxic question. The hon. Gentleman raises one of many issues that we have had sight of this afternoon that perhaps need to be debated when we get on to the referendum. What I am trying to do is make sure that, reasonably and quickly, we get on to that very referendum.

Louise Mensch (Corby) (Con): Corby is the fastest-growing town in England and it boasts one of the largest concentrations of people of Scottish heritage and descent south of the border. I am grateful to my right hon. Friend for saying that people outwith Scotland will be consulted during the consultation, but will he assure me that Scots who live outside of Scotland will get the chance to have their voices heard?

Michael Moore: We will not restrict this consultation to people who consider themselves Scots. Wherever they might live—in Monaco or elsewhere—they will be entitled to take part in this consultation. When it comes to the vote, I think that, following internationally agreed precedents, it would be important that it is the people in Scotland who make that decision.

Lindsay Roy (Glenrothes) (Lab): What approaches has the Secretary of State made so far to discuss referendum issues with the Scottish Government, and what has been their response?

Michael Moore: As I mentioned, I spoke to the First Minister earlier this afternoon, and I hope we will be able to meet soon to discuss the proposals that we have set out in the consultation. We have, of course, for some time been discussing with colleagues in the Scottish Government when they were going to bring forward their own proposals on a referendum. None has been

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forthcoming, although I hear that today they might be hurrying that up. We have provided the basis for a discussion, and I hope the two Governments can work well together for the people of Scotland.

John Thurso (Caithness, Sutherland and Easter Ross) (LD): My right hon. Friend and a number of other hon. Members have referred to the uncertainty, particularly over jobs and investment. Can I tell my right hon. Friend that mature opinion in the far north, whether it be in favour of the United Kingdom or in favour of independence, recognises that uncertainty and wishes to see it resolved. Will he therefore ensure that his consultation goes to those of mature political opinion throughout Scotland and ignores the bleatings of those in the nationalist playpen opposite?

Michael Moore: I think everybody in Scotland, whatever their temperament, will be welcomed to be part of the consultation, but I agree with my hon. Friend that many from both sides of the debate want the clarity and the legal certainty that we are offering and to get on with the debate—which, after all, has been the reason the SNP has existed for decades. I still am not sure why it is resisting a way forward. I hope that when we discuss the detail, it will agree with us and we will resolve this and get on and have the referendum.

Ian Paisley (North Antrim) (DUP): I welcome the forthright and determined approach that the Government are taking to ensure that the most important constitutional issue to affect our nation is being taken by the scruff of the neck, quite frankly, and driven by those on the Front Bench. Does the Minister accept that uncertainty about the Union in Northern Ireland caused decades of economic hardship, and that the sooner we get this matter resolved for the rest of the kingdom, the better; and that it is absolutely essential that the Government harness all the support from across the House—on the Opposition Benches as well as the Government Benches—and from our colleagues in Scotland to ensure that, together, we maintain the Union?

Michael Moore: May I, with all due deference to the hon. Gentleman, say that I would not, for very obvious reasons, draw a comparison necessarily between the experience in Northern Ireland and the really sensitive challenges that Northern Ireland has faced over a very long period and the experience in Scotland and the rest of the United Kingdom? Where I would agree with the hon. Gentleman is that uncertainty is bad for business; it is bad for Scots and others in the UK planning their lives and their future. I want to get that uncertainty resolved and get on with the actual referendum, during which I am confident Scotland will vote to continue to be part of the United Kingdom.

Several hon. Members *rose—*

Mr Speaker: Order. I am keen to accommodate the interest of colleagues, as always, but time is pressing and we do have a Second Reading of an important Bill, so I appeal again for brevity from Back and Front Benchers alike.

Mr James Clappison (Hertsmere) (Con): Can my right hon. Friend confirm that the UK opt-out from the single currency is an opt-out for the UK, and that new candidate countries for the European Union are committed, as a matter of law, to sign up to the introduction of the euro?

Michael Moore: The hon. Gentleman makes a very important point.

Cathy Jamieson (Kilmarnock and Loudoun) (Lab/Co-op): There has been a great deal of speculation in advance of this statement about so-called sunset clauses. Will the Secretary of State make it absolutely clear whether he has completely ruled out setting a date or setting some time scale within the order that transfers responsibility to the Scottish Government?

Michael Moore: The hon. Lady makes an important point. We have said in the consultation paper—I have said it many times already—that we want this sooner rather than later. We have shown in the draft section 30 order that it would be possible to include a date by which this should be completed. What we have not done is say what that date should be, or the time period leading up to that from the point when we debate it. So we will get on with that process, but it is important that we agree that.

Bob Stewart (Beckenham) (Con): My constituency is in Beckenham in Kent, but I am a Scot, and I am surrounded by Scots. I have got a Stewart there, my hon. Friend the Member for Penrith and The Border (Rory Stewart), and a Stewart there, my hon. Friend the Member for Milton Keynes South (Iain Stewart). I am a Stewart; I am half a Stewart; and I have got a half-Scot beside me in the Father of the House. We are very interested in what happens in Scotland, and I would like to ask the Secretary of State how we can put our views forward properly about what happens to our ancestral homeland. *[Interruption.]*

Mr Speaker: Order. Having heard the question from the hon. Member for Beckenham (Bob Stewart), I am all ears; I want to hear the Secretary of State's answer.

Michael Moore: The hon. Gentleman was right to say the Stewarts have a proud tradition in Scotland, as do many, many others—I do not wish to get into a battle of the clans. I encourage the hon. Gentleman to take a copy of the consultation, and I look forward to his contribution to it.

Gordon Banks (Ochil and South Perthshire) (Lab): We have already heard this afternoon about the SNP's preference for 16 and 17-year-olds to be able to vote in this one-off referendum. Can the Secretary of State tell me whether there has been any impediment, over the past five years, to the SNP Government in Holyrood lowering the voting age to 16 or 17 for Scottish council elections?

Michael Moore: The Scottish Parliament can determine all the appropriate arrangements on devolved matters. What I have said clearly today is that it cannot do that on a referendum about independence. It is important

that we sort this out, but I agree that we should judge this by how people have acted rather than by what they complain about now.

Mr Ben Wallace (Wyre and Preston North) (Con): Some 1.9 million Scots voted for Unionist parties in 2010, compared with 480,000 who voted for the Scottish National party. Westminster Scottish MPs have every right to speak for Scotland with an equal, if not greater, mandate. Has my right hon. Friend given any consideration to the tens of thousands of service personnel working in Scottish regiments or in the British Army, posted abroad or in England, and whether they will be allowed a vote or a say in the future of the United Kingdom?

Michael Moore: My hon. Friend has, of course, represented people in both Scotland and England and he speaks with authority on these matters. I entirely take his point about mandates. He raises an important point about the involvement of defence personnel and I look forward to his contribution to the consultation.

Mr Tom Harris (Glasgow South) (Lab): I welcome today's statement. What discussions has the Secretary of State had with Ministers about the possibility of a clarity Act, which might be seen as a somewhat less heavy-handed mechanism to force our nationalist friends to ignore their own base instinct and to offer the Scottish people the fair and honest referendum we deserve?

Michael Moore: Nobody here intends to be heavy-handed or to force anything. What we want to do is find agreement that will enable us here at Westminster to ensure that the Scottish Parliament has the powers to conduct the referendum and that it does so in a fair and decisive way. We are starting a consultation period today. I look forward to everybody contributing to it.

James Wharton (Stockton South) (Con): The Secretary of State has indicated that he believes that only those who are on the electoral register in Scotland should get to vote in any referendum. Does that extend to registered overseas voters who remain on the Scottish register? If it does, will he look at the possibility of extending that facility to those Scots who find themselves living not abroad, but elsewhere in the United Kingdom?

Michael Moore: As I have said on a number of occasions, we are proposing that the franchise should be that which elects the Scottish Parliament.

Gemma Doyle (West Dunbartonshire) (Lab/Co-op): The leader of the Scottish Labour party called today for cross-party talks in Scotland on issues including the date of the referendum. I know that the Secretary of State has already welcomed cross-party talks. Can he confirm that the Liberal Democrats would be willing to participate, and that he in his role as Secretary of State would participate in such talks?

Michael Moore: I am sure the new Scottish Labour leader will be talking to our colleague Willie Rennie, the leader of the Scottish Liberal Democrats, but I agree with the principle. We should all be talking together so that we can ensure that we get the right process for the referendum, we make it legal, we ensure that there is a fair process beyond reproach and that we get a clear-cut outcome. That is in all our interests and I welcome the principle that we should all meet to talk.

Sir Robert Smith (West Aberdeenshire and Kincardine) (LD): Surely the clear message today from the statement is to the Scottish Government to engage in the consultation, because it gives the clearest opportunity for the people of Scotland to have clarity in a debate that is based on the issues and not one that is dragged through the courts.

Michael Moore: I entirely agree with my hon. Friend.

John Robertson (Glasgow North West) (Lab): A good new year to you, Mr Speaker, and to all Members of the House.

Fuel poverty is rising, child poverty is rising and pensioner poverty is rising. We have seen from the arrogance of Members on the Scottish National party Benches that this matter is going to end up in court. How much will the consultation and the referendum cost the British taxpayer?

Michael Moore: I reciprocate the wishes of the hon. Gentleman for a happy new year and hope we may all be in a good mood throughout it. Of course there will be a cost to any democratic process, but it is clear that we have a major historic decision to make. I am keen that we get on with that and that we do it in a clear, fair and decisive way.

Iain Stewart (Milton Keynes South) (Con): During the consideration of the Scotland Act 1998 in this place, the then Scottish Secretary, Donald Dewar, said:

"A referendum that purported to pave the way for something that was ultra vires is itself ultra vires."—[*Official Report*, 12 May 1998; Vol. 312, c. 598.]

In the absence of his being able to publish legal advice, does my right hon. Friend agree that that statement makes it perfectly clear where the law stands?

Michael Moore: As ever, my hon. Friend has been assiduous in his homework, for which I commend him. Indeed, the late sadly lost leader, Donald Dewar, when he debated it from the Dispatch Box all those years ago, set out clearly what he believed would or would not be allowable within the law. I think the Act was well written. It is clear and I invite everybody to scrutinise it. I believe that when they do, they will come to the same conclusion as we have. Therefore we need to get on and provide a legal basis for the referendum.

Stewart Hosie (Dundee East) (SNP): The Scottish Secretary made great play of what he called uncertainty threatening business investment, so he will be aware of the Wood Mackenzie report today, which shows record North sea investment planned for 2012 and consistently high investment going beyond 2014, which rather gives the lie to the allegation that he made. Will he come clean with the House? Can he name one company that has threatened not to invest, or will he finally do the right thing and apologise for his scaremongering?

Michael Moore: The hon. Gentleman is not usually so churlish. He should understand better than almost anyone else, because he studies these things carefully,

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that businesses take decisions on a very long time scale. They are looking for certainty. They want confidence in the future, and as we have seen with the Citigroup report, the Institution of Mechanical Engineers and the CBI, which the last time I looked spoke for many businesses across Scotland and the UK, uncertainty is bad for business and bad for jobs. Let us get rid of that uncertainty. I cannot understand why the hon. Gentleman and his friends do not want to resolve this and get on with the real debate.

David Mowat (Warrington South) (Con): The Secretary of State will have seen today's press reports which say that apparently, as of this week, the Scottish First Minister is applying the finishing touches to his own referendum plans and will publish them in the next month. If that turns out to be the case, would the Secretary of State agree that at last we were making some progress?

Michael Moore: I hope that on the basis of the early conversation that we have had and the intent on my part that we should have further discussions, we will be able to consider the proposals that we have set out in detail this afternoon. It makes common sense and it is the most reasonable proposition on earth that we should get the two Governments working together to provide a legal, certain basis for the referendum, and then we can get on and have this most profound debate about our future in Scotland.

Sheila Gilmore (Edinburgh East) (Lab): I welcome the commitment from the Secretary of State to the broadest negotiation and widest discussion within Scotland on the subject, but I hope he will agree that it is unwise to conduct the debate through statements made in the media or on television programmes, even by people as exalted as the Prime Minister.

Michael Moore: Over the coming weeks we will have many different ways of contributing to the debate, whether we are politicians or people across Scotland. I look forward, whether in my own constituency or any other part of Scotland, to people looking at the consultation, engaging with the issues and giving us their views. It is not about politicians. It is about the people of Scotland.

Glyn Davies (Montgomeryshire) (Con): Relentless debate in Scotland led by the Scottish Government about Scottish independence causes great uncertainty throughout the United Kingdom, including in Wales. We cannot afford this distraction. Does my right hon. Friend agree that the issue should be dealt with as quickly as possible to ensure that Governments throughout the United Kingdom, including devolved Governments, concentrate and focus on growth, jobs and the things that we really need?

Michael Moore: Yes.

Mr Iain McKenzie (Inverclyde) (Lab): It will come as no surprise that I welcome and agree with the Secretary of State's desire to hold a referendum as soon as possible. Does he agree that the desire of the SNP Government in Scotland to hold a referendum as late as possible is an indication of their inability to answer the many, many questions that have been put to them by the Scottish people on separatism?

Michael Moore: As I have said a few times this afternoon and many times elsewhere, it is a real curiosity for a party that has always existed for one purpose to be so reticent about getting on with the debate about Scotland's future within the United Kingdom or as a separate country. I hope that we will now get a proper, constructive, reasonable engagement where we can get on with that real debate.

Jeremy Lefroy (Stafford) (Con): Does my right hon. Friend agree that a referendum should not involve a sterile discussion of costs and benefits or political advantage, but the great strengths that Scotland brings within the United Kingdom and that being part of the United Kingdom brings to Scotland?

Michael Moore: I absolutely agree with my hon. Friend.

Mr Mike Weir (Angus) (SNP): In answer to an earlier question, the Secretary of State again went on about the uncertainty caused by the lack of a referendum, but when the Prime Minister's spokesman was asked about this this morning, the only thing he could refer to was a Citigroup report, the same one that the Secretary of State referred to, which is specifically on renewables. But if he looks at it he will know that Gamesa, SG, Doosan Babcock, Mitsubishi, Aquamarine Power, EDP Renewables and Repsol—

Madam Deputy Speaker (Dawn Primarolo): Order. The statement has been going on a long time already and Members still wish to speak. The hon. Gentleman knows very well that he should be brief.

Michael Moore: The hon. Gentleman needs to pay attention to people at the CBI and others and recognise that it is self-evident that when there is uncertainty about the constitutional future of Scotland, investment decisions will become difficult. I want to get all question of uncertainty removed from the debate. I cannot understand why they seem so reluctant to get on with it.

Jo Swinson (East Dunbartonshire) (LD): The SNP at Holyrood has a political mandate to hold a referendum on independence, so I welcome my right hon. Friend's plans to devolve the powers so that it can be held legally and fairly, but does he agree that page 28 of the SNP manifesto clearly shows that that mandate is for a simple yes-no question, so that there is no confusion, no legal chaos, just a decisive result, decided by the voters, not the courts?

Michael Moore: There have been a number of months where the prospect of two questions has been bandied around, although when pressed Ministers were unable to answer how one would determine which result to pay heed to if both were given yes votes, particularly if independence got, say, 51% and extra powers got 80%. Apparently, independence would have won. We need a single, clear question, and I am glad that after many

months of skirting around this, the Deputy First Minister yesterday conceded that point and said she wanted a single question herself.

Graeme Morrice (Livingston) (Lab): I welcome the Secretary of State's statement. Could he therefore confirm that if the UK Government devolve the power to hold a referendum on separation, as he has said, to the Scottish Government, Alex Salmond would have no excuses left whatsoever for not getting on this year, or next year at the very latest, with holding a referendum on Scotland's future?

Michael Moore: I want that referendum to take place sooner rather than later. We are offering to fix a problem that exists and make sure that we can get on and conduct that referendum in a reasonable way. I hope that we will be able to work together with the Scottish Government to get those issues resolved and get on with that debate.

Mary Macleod (Brentford and Isleworth) (Con): I welcome the statement and congratulate the Government on their leadership on this important matter to Scotland and the UK. What reassurance has the Secretary of State had from the Scottish National party and the First Minister that they will work with the UK Government on this and accept a fair, legal and decisive referendum?

Michael Moore: I hope that the Scottish National party will engage with this. I am pretty sure that it will because when it gets the chance to study the detail, it will see that what we are offering is a very reasonable process by which we can get rid of the legal uncertainty and have a fairly conducted and decisive referendum.

Jim McGovern (Dundee West) (Lab): Further to an earlier question about the manifesto, is the Secretary of State aware that nowhere in the SNP manifesto, as far as I am aware, does it say that a referendum will take place in the second part of the Parliament? It says only that a referendum will take place. It constantly tells us that it has an overwhelming mandate to hold a referendum in the second half of the Parliament; that is strictly not true.

Michael Moore: The manifesto was clear. It was about a straightforward question on independence, not about the timing. We believe this should happen sooner rather than later, and I look forward to the responses that we get from people across Scotland.

Fiona Bruce (Congleton) (Con): Given the references that we have heard in the public debate on this matter to legally binding referendums and consultative referendums, does the Secretary of State agree that that is a totally false distinction?

Michael Moore: My hon. Friend has put her finger right at the heart of the issue. There is no distinction in the legal status of referendums in Scotland between one that might be considered advisory or consultative on the one hand, and a so-called legally binding one on the other. The Scottish Parliament does not have the power to have a referendum on independence. We are offering a way by which we can devolve that power on a fair and reasonable basis that will ensure that we get a clear and decisive outcome.

Katy Clark (North Ayrshire and Arran) (Lab): The Secretary of State will be aware that the SNP is putting a significant amount of effort into fundraising, given that this is basically everything that they are all about. What does he think his role should be in ensuring that there is a full debate in Scotland? Does he agree that many people in Scotland have not really given proper consideration to the arguments for and against separation?

Michael Moore: The hon. Lady gets to the heart of the issue about how we would conduct the referendum when it takes place and the need for it to be done on a basis that is recognised and not challenged by people who are either participants or voters. It is important that spending limits and all other aspects of the rules of the process are clear. It is for that reason that we are suggesting that the Electoral Commission might be, or would be, the appropriate way to oversee the process. I hope that as we debate this people will agree on that point.

Mr Philip Hollobone (Kettering) (Con): My constituents in Kettering deserve a say on the future make-up of the United Kingdom just as much as the Secretary of State's constituents in Berwickshire, Roxburgh and Selkirk. The way to overcome the legal challenge is not to devolve the powers to the Scottish Government, but to hold a UK-wide yes or no referendum with the result announced in two parts, one the result from Scotland and second the result from everywhere else, because it may well be that Scotland votes to stay, but the rest of the country invites Scotland to leave.

Michael Moore: If I may say so, I regret the slightly discordant tone of my hon. Friend's observation. I have answered the point several times already. It is important that we follow the democratically appropriate route and the internationally recognised way of doing this and allow for self-determination within Scotland on this important issue.

Dr William McCrea (South Antrim) (DUP): I welcome the Secretary of State's statement. Can he assure me that this Government will be robust in its defence of the Union?

Michael Moore: I am absolutely committed to Scotland remaining part of the United Kingdom. When we can get on to that debate, I will be clear in arguing the case on that, day in and day out. At the moment we have to get to that debate, and today we have offered a reasonable and straightforward way that we might do that.

Mr Russell Brown (Dumfries and Galloway) (Lab): My hon. Friend the Member for Dundee West (Jim McGovern) is exactly right. The SNP manifesto last year made no reference whatsoever to the second half of the Parliament, but does the Secretary of State feel that if the legal powers are transferred and the SNP has a good showing in May's local government elections, the First Minister might just take a gamble, ignore the second half of the Parliament and go for a snap referendum?

Michael Moore: I am not going to speculate on the election results in May, but I agree that we should get a clear basis for the referendum and get it sooner rather than later.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): The Secretary of State has made a big issue of a point of law, but in June last year, Professor Stephen Tierney, professor of constitutional theory at Edinburgh university, said:

"The Scottish Parliament has the authority to stage a referendum."

Does the Secretary of State agree that Scotland's democratic Parliament does not need Westminster's permission for a self-determination referendum, although a generous spirit from the Westminster Government would indeed be welcome?

Michael Moore: I am afraid that for reasons that should now be obvious I do not agree with the hon. Gentleman.

Nia Griffith (Llanelli) (Lab): The Secretary of State will be aware that in Wales a convention process took place before the referendum on further powers. Can he explain exactly how we will ensure the fullest possible participation by trade unions, the business community and a genuinely representative cross-section of civic society in the consultation that he has announced?

Michael Moore: The consultation is open to everyone in Scotland and across the United Kingdom, and indeed elsewhere, should they wish to offer their opinions. I am confident that we will get a good response, and I hope that we will then be able to chart a way to getting a legal, fair and decisive referendum and a proper decision on Scotland's place in the United Kingdom.

Mr Wayne David (Caerphilly) (Lab): I understand that the Scottish First Minister has announced that there will be a referendum in the autumn of 2014. Will the Secretary of State give his reaction to that indication, and tell us whether it is correct?

Michael Moore: I anticipate that the debate over the timing of the referendum will continue for a long time unless we resolve the legal basis on which a referendum might take place. At the moment, no referendum initiated by the Scottish Parliament could take place. We are determined to ensure that we give the Scottish Parliament that power in the appropriate way so that we can get on with the debate as soon as possible.

Kevin Brennan (Cardiff West) (Lab): More Welsh Members are left until the end, Madam Deputy Speaker. Is not the SNP wrong to say that there have never been binding referendums in the UK before? Was not the unsuccessful referendum on the alternative vote that the Government held last year a binding referendum?

Michael Moore: It is not a question of whether the referendum is binding, consultative, advisory or whatever other adjective the hon. Gentleman cares to apply. At the present time, the Scottish Parliament could not bring forward a referendum on a legal basis. We want to ensure that it can do so, and are offering the way that that can be done through the consultation.

Chris Bryant (Rhondda) (Lab): It is not just the euro that an independent Scotland would have to sign up to if it wanted to join the European Union, is it? It would also have to sign up to the Schengen agreement, because European law makes it absolutely clear that that would have to happen. Would we be considering setting up border controls between England and Scotland?

Michael Moore: As the Member of Parliament who represents the longest stretch of that border, I hope that we will never be in a position in which such barriers might exist. I am confident that when we get to the proper debate, that will not be the way it ends up.

Madam Deputy Speaker (Dawn Primarolo): Secretary of State, thank you. Some 57 Back-Bench Members participated in the statement.

Points of Order

6.22 pm

Mr Gareth Thomas (Harrow West) (Lab/Co-op): On a point of order, Madam Deputy Speaker. As you will be aware, in accordance with our parliamentary duties, all Members at one time or another table written questions, and inevitably expect a reasonable delay before they are answered. I have four written questions that have not been answered by the Department for Environment, Food and Rural Affairs, the earliest of which was tabled on 13 October 2011. Another was tabled on 17 October and the remaining two on 27 October. Will you advise me on whether there are any devices I can exploit in order to encourage the Secretary of State to ensure that I receive answers to those questions?

Madam Deputy Speaker (Dawn Primarolo): As the hon. Gentleman will know, that is not strictly a matter for the Chair, but he has successfully exploited one of the mechanisms whereby Members can draw a matter to the attention of the Leader of the House, who is in his place. The quality of answers from Ministers is not the responsibility of the Chair, but I am sure that the Leader of the House will ensure that the appropriate message is conveyed to the Department.

Kevin Brennan (Cardiff West) (Lab): On a point of order, Madam Deputy Speaker. You and Mr Speaker are always very generous in accommodating Back-Benchers during ministerial statements, but Mr Speaker had to speak to a Minister earlier about the length of the initial statement that was made. Would you advise us on what advice is given to Ministers on how long their initial statements should be?

Madam Deputy Speaker: Nice try, Mr Brennan. Strictly speaking, that is a matter for whoever is in the Chair at the time and the Minister. As Mr Speaker has made clear on a number of occasions, particularly when a large number of Members wish to participate, the Chair's expectation is that the Minister at the Dispatch Box will take due note and make a contribution of an appropriate length to ensure that everyone gets in.

Park Homes (Site Owner Licensing)

Motion for leave to bring in a Bill (Standing Order No. 23)

6.24 pm

Stephen Gilbert (St Austell and Newquay) (LD): I beg to move,

That leave be given to bring in a Bill to make provisions to require owners of park home sites to undergo a fit and proper person test; to introduce a national licensing scheme for individual owners of park home sites; and for connected purposes.

The Bill would help to increase protections for some of the most vulnerable in our communities—those who live on park home sites—by introducing a national licensing regime and a fit and proper person test for those who seek to own such sites. As hon. Members will know, park homes are modern bungalow-style residential properties, usually sited on private estates. The park home industry is a billion pound business and there are more than 2,000 park home sites across the UK, primarily but not exclusively in rural areas such as Cornwall.

For the vast majority of the quarter of a million residents on park home sites, their park home constitutes their only home. Many residents are elderly, with a number of park home sites setting a minimum near-retirement age as a condition of residence. Indeed, the industry heavily markets itself to property-rich, but cash-poor, senior citizens. The advertising paints a picture of like-minded individuals forming idyllic communities in which they will live out their twilight years in comfort and contentment, made all the better by the equity release that moving to a park home brings. Almost all the sites are privately owned and run as profit-making businesses.

Most sites are owned by individuals, and although some site owners own a single park, others might own 20 or more. Park owners with a single site will tend to manage it themselves, but those with multiple sites might employ site managers to run individual sites on their behalf. Sites can be bought and sold at the whim of an individual. Anyone can own a park home site, and as things currently stand, a long criminal history or prior evidence of malpractice within the industry is no barrier to an individual buying and running a site. The current residents of a site have no say whatever about it being sold, or who purchases it.

I want to be absolutely clear that the majority of park home site owners conduct themselves in a professional manner and serve the people they accommodate well. However, the actions of a small but significant number of site owners who harass often vulnerable and elderly people can no longer be ignored. My Bill proposes one way of addressing this bad practice within the industry, by bringing in a national licensing regime for the owners of park home sites and a fit and proper person test. I do not believe that those measures alone will address all the problems faced by some residents, but they will be a step towards the greater protections that are desperately needed.

We should be clear that the majority of park home site owners have absolutely nothing to fear from a fit and proper person test, which in my opinion would help to drive up standards across the industry, but we need to take steps to secure a thriving and well-run park

[Stephen Gilbert]

home sector that continues to provide people with sites on which they want to live, and opportunities for investment for others. I believe that a national licensing system will maintain standards, root out bad practice and ensure that sites are safe, well planned and well managed, and have appropriate facilities and services.

Indeed, the previous Government said in their March 2010 document "Park homes site licensing reform" that they were committed to

"a comprehensive licensing regime which ensures that only 'fit and proper' persons are engaged in the management of park homes sites and which is backed by effective enforcements tools".

This Government's Housing Minister said in a written ministerial statement in February last year that he was

"announcing my intention to consult on a further package of measures that could improve and modernise the licensing regime that applies to caravan and park home sites to enable local authorities to more effectively monitor and enforce licences and, therefore, better protect the many thousands of older households who live in this sector."—[*Official Report*, 10 February 2011; Vol. 523, c. 15WS.]

That was welcome news in 2010, as it was the year after, but so far there has been little sign of a consultation emerging from the Government. I am delighted that my right hon. Friend the Secretary of State for Communities and Local Government is in his place to hear me tell the House that the one thing that park home residents across the country are saying to us is that they need the Government to get on with this.

In the absence of further action by the Government, my Bill seeks to help the two in every three park home residents who report living in unacceptable conditions. Almost half of all residents report living under the regime of an unscrupulous park owner. It aims to build on the work of hon. Members from both sides of the House in raising this important issue, notably my hon. Friends the Members for Mid Dorset and North Poole (Annette Brooke) and for Romsey and Southampton North (Caroline Nokes). I am delighted that the Bill has attracted cross-party support, and note that other Members—such as my hon. Friend the Member for Wyre and Preston North (Mr Wallace)—also wanted to have their names on the Bill, but could not be accommodated. It is clear that there is a desire on both sides of the House to sort out the problems that for too long have bedevilled the park homes industry.

Problems in the park homes sector occur because the current system of regulation and the industry's economics make it an attractive proposition to a number of rogue site owners who are intent on making substantial sums of money. When taking over a site of, say, 30 park homes, a rogue site owner only needs to replace 10 existing homes with new ones to make a significant profit. Of course, the problem for the rogue site owner in achieving that is that there might not be 10 individuals who want to leave the site. Rogue owners then begin a process of forcing residents to leave, or to sell their park homes to the site owner on advantageous terms.

Practices that are, sadly, commonplace include the vetoing of all sales of homes within the site, including any that are part way through. Although regulations allow home owners to challenge the unreasonable rejection of prospective purchasers, the reality is that most do not have the emotional or financial resources to take the site owner through the court process. In addition, the length of time that it would inevitably take for that process to be completed would no doubt result in the loss of that prospective purchaser.

The Park Home Owners Justice campaign, ably led by Sonia McColl, reports that rouge site owners visit local estate agents who market park homes to tell them that they will not allow any homes on their site to be sold. Rogue site owners also intercept prospective purchasers visiting the site to put them off, by rubbishing either the home or even the site in general, and they bully residents by telling them their homes are defective in some way, and threaten to evict them from the site unless their homes are brought up to standard.

It is reported that rogue owners tell residents that improvements to their park homes are illegal when they are not. Many park home residents report being subject to harassment, intimidation, abuse, and, in the worst cases, arson of their park homes. Through such abuses, a site owner effectively traps residents in their homes while creating a climate of fear. Many residents are frail and vulnerable, and their physical and mental health can be easily impacted on. Eventually, the suffering reaches the extent that, desperate to get out, the resident will sell to the site owner for a fraction of the park home's market value. There is evidence of rogue site owners then buying further sites where the same tactics of abuse are brought to bear on a different group of luckless residents.

My Bill seeks to create additional protections for residents of park homes by creating a two-tier licensing regime. In an era of localism, it is right that local authorities should be responsible for issuing and monitoring the site licence, which would cover such matters as the site's suitability, amenities and services. In line with the recommendation from the trade and the two national residents associations in response to the previous Government's consultation, there should be a national licensing authority, the role of which would be to decide whether an applicant to own a park home site was a "fit and proper person", and suitable to manage the accommodation of others. I suggest that that responsibility could sit with the newly empowered residential property tribunal service. If so, the national authority would issue a personal licence. If the applicant were refused a licence, he would not be able to manage any park home site anywhere.

It is that two-tier approach, as part of a package of other measures that I expect from the Government, that I wish to commend to the House. Those of us who have significant numbers of park homes in our communities know only too well that budget pressures mean local authorities often do not resource park home issues properly at the moment. We also know that many environmental health officers do not have the expertise in legal and financial matters in the context of park homes, and are not best placed to assess someone's suitability to own and manage a site. A national regime would remove the chance of duplication in the work of local authorities, and therefore reduce the costs of introducing additional protection for park home residents, as well as ensure a consistent level of national protection for all residents of park homes.

I am sure that all hon. Members agree that we need to ensure that everybody can enjoy their home unfettered, and I commend my Bill to the House.

6.34 pm

Mr Christopher Chope (Christchurch) (Con): I just want to put down a marker. Not everybody in the House thinks that the solution to this problem, which the hon. Member for St Austell and Newquay (Stephen Gilbert) rightly identifies, is the one that he proposes.

As chairman of the all-party parliamentary group on mobile homes, I am well aware of the problems with park homes, particularly regarding their sale. Indeed, I introduced the Sale of Park Homes Bill, which sadly has not yet received a Second Reading. Not only that, but it has not even been printed, because I have been waiting until I have seen the consultation paper that the Government said they would publish last year. The Minister for Housing and Local Government is sitting on the Front Bench, and I hope that that consultation paper, which he has promised, will be published very soon. When it is, I anticipate that it will show that the solution—

Madam Deputy Speaker (Dawn Primarolo): Order. Mr Chope, are you speaking in opposition to the ten-minute rule Bill?

Mr Chope: Yes, Madam Deputy Speaker, I am speaking against the Bill because the hon. Member for St Austell and Newquay does not have the right solution to the problem. He has identified a problem that exists in many hon. Members' constituencies, but that does not mean that any legislation that purports to address it will deliver. That is why I am speaking against the Bill. I am putting down a marker on the Bill, but at the same time encouraging the Minister to produce the consultation paper.

My feeling is that the problem would be better addressed by focusing on the sale of park homes rather than by introducing an inevitably bureaucratic and heavy-handed licensing system. As the hon. Gentleman said, a very large proportion of park home site owners are reasonable and supported by local residents. Why should those good park home site owners be put through that hoop? Why should they have an extra bureaucratic burden placed upon them, which ultimately must be paid for by the hard-pressed residents to whom he referred?

I suggest that, like many ideas that come before the House, this idea would mean introducing disproportionate and heavy-handed regulation to address a problem. How would the idea of a fit and proper person test, which is at the core of the hon. Gentleman's proposal, work in practice? Are we saying that only people with criminal records would be excluded from becoming park home site owners, or would exclusion be extended more widely? How will we deal with corporate bodies and companies? We know that many rogue directors run companies up and down the country. How would we deal with them? Would his solution of a fit and proper person test address that?

I am urging on the hon. Gentleman the idea that there might be better ways to address the problem than having the knee-jerk reaction of saying, "Let's have more regulation, and a new fit and proper person test that everybody must go through." In my submission, that test has not been properly analysed. I shall not press the motion to a Division tonight, but the Bill might be printed, and then he might see that the consultation paper has a better solution, along the lines I have suggested. That could be the way forward.

I will not speak any longer, because there is a lot of pressure on the time of the House, but I thought it would be wrong to allow this proposal to go through on the nod just because everybody agrees that there is a problem to be addressed. Hon. Members must be assured in their own minds that the solution proposed is the right one.

Question put and agreed to.

Ordered,

That Stephen Gilbert, Mr Robert Buckland, Andrew George, Stephen Lloyd, Tessa Munt, Sheryll Murray, Caroline Nokes, Dan Rogerson, Mr Adrian Sanders, Heather Wheeler, Dr Sarah Wollaston and Gordon Banks present the Bill.

Stephen Gilbert accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 30 March, and to be printed (Bill 268).

Local Government Finance Bill

Second Reading

6.40 pm

The Secretary of State for Communities and Local Government (Mr Eric Pickles): I beg to move, That the Bill be now read a Second time.

It is a relief to be called after all that waiting, Madam Deputy Speaker.

The coalition agreement committed the Government to supporting sustainable growth and enterprise, balanced across the country. It also pledged the radical devolution of power and greater financial autonomy to local government. This Bill delivers on those promises. It aims to introduce much-needed reforms to make England's local government finance system more effective at supporting local jobs, local firms and local enterprises. This is not just about redistributing a pot of cash differently; it is about providing the best possible chances to foster more growth, generate more cash and make a bigger pot.

The case for change is widely recognised. The OECD has called the English local government finance system one of the most centralised in the world. The Labour Government knew that, but failed to deliver on reform. There were Green Papers, White Papers, the "Balance of Funding" report, the Lyons inquiry and, if that was not enough, the Labour party manifesto at the last general election boldly pledged another commission on local government finance. What little reform was introduced, such as the so-called local authority business growth incentive scheme, was timid, inconsistent and ineffective. The only thing Labour managed to do was to double council tax and halve local services, such as bin collections—pay more and get less.

Where others have failed to deliver, however, the coalition is ready to act. Nowhere is the need for change more apparent than in relation to business rates. Currently, councils collect rates for local businesses, but they are no more than the agents for central Government. No sooner is the cash in than Whitehall whisks it away. Whitehall feeds the figures into a very complex formula. Each council waits with bated breath to see how much it will get back. The 160-page local government finance report requires a detailed knowledge of multiple regression to fathom it out.

The system creates a perverse regime of incentives. Councils that work hardest to boost local businesses do not see their efforts reflected in the state of their finances. In fact, local economies that become more successful can effectively see their central Government grant cut. The regime actively encouraged councils to talk down their area, to mask their success and to amplify their deprivation; it breeds a begging-bowl mentality and a race to the bottom. Surely, now more than ever, we should welcome growth and reward incentives.

There is some criticism that Labour failed to deliver on its election pledges. Well, we are here to help. In the Localism Act 2011, we introduced a general power of competence, implementing a pledge in the 1983 Labour party manifesto. However, we have now moved on to the 1997 Labour party manifesto, and we are moving towards the localisation of business rates. The Government believe that councils should have every possible incentive to encourage local business, support local jobs and create the conditions for the local economy to thrive.

The Bill paves the way to repatriating business rates. We want to give councils a greater proportion of the rates they raise locally. Every council that grows its business rate base can be sure that it will see an increase in its income, compared to the status quo. Putting in place the right incentives gives every council every possible reason to go for growth, which creates the potential to raise more cash overall to invest in local services and local community priorities. Of course, we have heard a few grumbles already.

Mr Kevan Jones (North Durham) (Lab): I spent nearly 12 years in local government, and I accept that it is an important catalyst for encouraging local economic development, but it is not the only one. There is a huge disadvantage in all this for my constituents, compared, for example, with constituents in south-east England. Surely, in any consideration of local government finance, the disparities between the economies of such areas should be taken into account.

Mr Pickles: Frankly, I am amazed by that contribution, because Durham will be one of the big beneficiaries of the scheme. Had this system been in place, Durham would undoubtedly have more money in its coffers. I strongly urge the hon. Gentleman, for whom I have enormous respect and affection, to talk up Durham, because it will do very well under this scheme.

Helen Goodman (Bishop Auckland) (Lab): I am afraid the Secretary of State's view is not shared by Durham county council, which believes it will lose £100 million, in contrast to the City of London, which we all understand will see its business rate take increase 140%.

Mr Pickles: The hon. Lady needs to look at the facts. Durham will be a beneficiary. The level of support it will get in terms of top-up—in terms of its actual growth —will increase, and that will give the people of Durham considerable respect and pride.

Let us just deal with some of these grumbles. Some are worried that the reforms might lead to polarisation and that deprived areas might fall behind. I can entirely understand—we have seen examples of this today—that people are reluctant to see change. It is always hard to let go of a security blanket, but we have been clear that we will ensure the hardwiring of safeguards for the most vulnerable in these reforms. Protections, including a system of tariffs and top-ups, will ensure that councils that start from a low business rate can still meet people's needs. We will have a levy on authorities that see a disproportionate benefit, with a safety net for authorities that see their business rates fall significantly.

Mark Field (Cities of London and Westminster) (Con): I very much welcome the principle of allowing local authorities to retain a proportion of their business rate. That is a very positive move. My right hon. Friend has made the case that he is being rather pragmatic, but perhaps he will go into a little detail about two areas where I am concerned he is perhaps being overly pragmatic: growth for inflationary reasons and growth where there has been a revaluation. As he knows, there has been significant revaluation in recent years, so why cannot some of that revaluation, where a substantial part has been in a particular local authority area, be used as an element of growth for the purposes of the business rate adjustment that is being brought into play?

Mr Pickles: Of course, in that process of revaluation, we would seek to adjust the multiplier so that it had a neutral effect on the amount. What we are talking about is ensuring that, between periods of revaluation, an authority that grows above the national average can actually bank that. However, some authorities will clearly get a disproportionately large increase, and we have a levy, through which we seek to take that sum away and to apply it to the safety net.

Alok Sharma (Reading West) (Con): I welcome these reforms, which will incentivise local authorities and local government to encourage growth, but will the Secretary of State confirm that they will not allow some local authorities to raise business rates on already struggling businesses?

Mr Pickles: I am happy to confirm that fact to my hon. Friend, because he raises an important point about local businesses needing a degree of certainty. Of course, the Secretary of State—the person holding my position—will set the multiplier and the sum.

There is something strange about all the objections, some of which we have heard already, in that they betray a lack of faith in the people whom we represent. No one area has a monopoly on the formula for growth. Economic success is not a southern phenomenon.

Mr Kevan Jones: Yes, it is.

Mr Pickles: I do not know whether colleagues were listening but I heard an Opposition Member say that economic success was a southern phenomenon. If that is what Opposition Members think, they should seriously consider whether they are doing their electorate a service.

If our reforms had been in place over the past five years—since the last revaluation cycle—places such as Liverpool, Doncaster, Durham and north and south Tyneside would have benefited, because their growth in business rates outstripped the national average.

Most of all, however, the grumblers have missed the key point. This is not simply about redistributing the proceeds of growth. If these reforms lead to every council working as hard as possible to help business to thrive, there is the potential to increase overall growth.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): As part of the south-east phenomenon—the area that I represent covers Canary Wharf and the London borough of Tower Hamlets—my constituency would naturally, I assume, be a winner from these reforms. Has the Secretary of State seen the briefing issued today by London Councils to London MPs? It welcomes the retention of part of the business rate but then states:

"However, the Bill as drafted creates a fiendishly complex system in which the level of the business rate incentive is uncertain and unpredictable".

Will he respond to that concern from London Councils?

Mr Pickles: Yes, of course. The idea is to give the maximum incentive to councils. That is how the system is being devised. However, it is much simpler than the existing system, which is just about impenetrable. Indeed, London Councils considered that point some time ago when it described the four—*[Interruption.]* Ah, I have it in front of me. How very helpful! This is marvellous. Bob always comes up trumps. This quote comes from the London Councils' report, "Four Block Muddle":

"The current formula grant system…lacks transparency and is inherently unstable and unpredictable, generating fluctuations in grant allocation that defy logic… Even finance experts, let alone members of the public, struggle to understand the working of this complex system."

So here we are introducing a much better system, and, to coin a phrase, I would have expected local councils to rejoice, rejoice, rejoice.

Mr Nick Raynsford (Greenwich and Woolwich) (Lab) *rose—*

Mr Pickles: I give way to the right hon. Gentleman, the architect of our present system.

Mr Raynsford: I am grateful to the Secretary of State but I have to say that many other people besides me were architects of the existing system. However, given that doubts are being expressed by many local authorities about whether the provisions in the Bill will achieve the objectives that the Secretary of State has set out, will he, in words of one syllable and in plain English, explain the provisions in the first seven clauses of the Bill, which to most people are absolutely incomprehensible gobbledegook?

Mr Pickles: I feel a little stung because I have always been most helpful to the right hon. Gentleman.

Clause 1 deals with the local retention of the non-business rate and provides for the framework of the rate retention scheme in England by inserting a new schedule 7B into the Local Government Finance Act 1988. Clause 2, on the revenue support grant, gives effect to schedule 2, dealing with the amendment of provisions about revenue support grant in England. Clause 3, on additional grant, amends the 1988 Act to remove the provision for the Secretary of State to pay additional grant to local authorities in England. It also makes consequential amendments to the Local Government Finance Act 1992 and the Greater London Authority Act 1999. Clause 4, on the local government grant, amends section 100 of the 1999 Act so that from 1 April 2013 the Secretary of State may pay a general grant to the Greater London authority for a financial year but will not be required to do so. I think that that covers the point, although we could go through the entire Bill—there are only 16 clauses.

Bob Blackman (Harrow East) (Con): I thank my right hon. Friend for giving way on this key issue. One of the key concerns for people raising additional business rates in the future will be that they gain from the benefit of that growth. I welcome that proposal. However, there is another problem. Will he confirm that if a major employer or site of employment closes down within the first two years of operation, the local authority will not lose the business rate income?

Mr Pickles: My hon. Friend raises an important point about the very nature of business rates. There is a high degree of buoyancy within the system and there can be sudden movements, particularly where firms move out and following claims for revaluation, which is why we have built into the system adjustments to iron

[Mr Pickles]

out those things. We have suggested to local authorities—but it will be entirely a matter for them—that they pool their resources in order to get over those fluctuations.

I shall move from the incentive effect to another aspect of the Bill: the introduction of tax increment finance. This was recommended in the 2006 Barker report and promised in the 2009 pre-Budget report but never delivered by Labour. For the first time, councils will have the ability to borrow safely and sustainably against the anticipated increase in business rates. That will give them a new means by which to fund infrastructure, attract investors and secure jobs for local people.

We are determined that the transition to the new system should be effective, fair and workable. Over the summer, we consulted widely, and we heard loud and clear that small firms, charities and voluntary groups, which play such an important role in local life, should not face adverse changes to their bills. Local firms can rest assured that this is not a means of increasing their bills by stealth; rather it is a measure to help local businesses. The Bill also proposes a replacement for council tax benefit.

John Healey (Wentworth and Dearne) (Lab): I am grateful to the Secretary of State for giving way on the point about tax increment financing schemes, of which I have been a strong supporter from the outset. Will he confirm that the area and rate take in the TIFs area will be ring-fenced and protected from levies and any reset? Without that confirmation, there will not be the confidence and certainty about the revenue stream necessary to allow the borrowing to take place for the up-front investment.

Mr Pickles: The right hon. Gentleman makes an important point. He will know, because he has taken an interest, that we are offering two types of TIF. TIF 1 will be subject to the levy and the top-up, but TIF 2 would not be subject to either, so it would be possible to borrow over a longer period than the reset.

John Healey *rose—*

Mr Pickles: Before the right hon. Gentleman responds, I would like to add something else. I can see that we are going to have one of these really interesting discussions—we might even get on to hereditaments in a little while. Because TIF 2 would affect the levy pot, as well as the level of public borrowing, we will clearly need a degree of Treasury co-operation, but authorities can proceed with TIF 1 straight away.

John Healey: I wish the Secretary of State good luck in seeking that Treasury co-operation. He will understand that the time horizon for TIFs stretches beyond one decade, and sometimes beyond two. He said that TIF 2 would be ring-fenced and protected from the levy; can he also say whether it will be ring-fenced and protected from any reset?

Mr Pickles: The whole point about TIF 2 is that it goes beyond a reset. That is why there needs to be a degree of co-operation from Treasury colleagues. The period for TIF 1, of course, is potentially 10 years. We will encourage local authorities to work together on TIFs and pool their resources—I think I recall the right hon. Gentleman speaking about this some time ago—which will be enormously liberating for them.

The Bill also sets out a replacement for council tax benefit, which is essential in supporting those who, through no fault of their own, struggle to pay their council tax bills. However, rather than having a national, one-size-fits-all scheme, designed and directed by Whitehall, we propose that councils themselves should set up council tax support at the local level. We will give them the flexibility to design schemes that reflect local priorities. Tailor-made approaches will also be essential to making the 10% saving, which is an important component of the plan for reducing the deficit inherited from Labour. Some councils are already considering how they might exercise the new powers and discretions. Westminster city council, for example, is looking into the idea of social contracts, such as linking council tax benefit with obeying the law, actively seeking employment and undertaking voluntary work. That is fundamentally no different from councils such as Manchester and Newham, which are seeking to prioritise individuals in work for council house waiting lists, ending the "something for nothing" culture while providing a safety net for the vulnerable. I believe that benefits should provide the right incentive to get people back to work and to reward social responsibility.

Mr Clive Betts (Sheffield South East) (Lab): The reality, surely, is that on day one councils will receive what they are currently paying out in council tax benefit, minus 10%. They will have no choice about where that 10% comes from, because pensioners will be protected—we might support that—as will people in work, because councils have to observe the 65% tapers under the universal credit. In the end, therefore, the totality of those cuts will fall on the unemployed of working age, leading to probably up to 20% to 30% of their benefit being withdrawn. If unemployment goes up and more people claim council tax benefit, that will mean either money drawn from other services to fund it or further cuts for those on council tax benefit who are unemployed.

Mr Pickles: The hon. Gentleman makes a reasonable point, but I would put it this way:

> "Beveridge would have wanted determined action from government to get communities working once again, not least to bring down that benefits bill to help pay…the national debt…He would have wanted reform that was tough-minded, and asked everyone to work hard to find a job."

That seems a very reasonable way to express it; indeed, those are the very words of the shadow Secretary of State for Communities and Local Government, in his article in *The Guardian* last week. I am pleased that that approach was also endorsed by the Leader of the Opposition on the "Today" programme this morning, so frankly, I am not entirely sure that I understand the points being made by Opposition hon. Ladies and Gentlemen.

Mark Field: I very much support the idea of innovation and flair, and allowing for inventiveness, which will certainly apply positively to Westminster city council and all who live in the area. However, my right hon. Friend will be aware that, in the case of some local authorities that try to adopt the new powers, the scheme

will perhaps work somewhat less well. Will there be any residual power in the hands of the Department or the Secretary of State to intervene where such local authorities fail to provide the lead that we would all wish for?

Mr Pickles: Local authorities are statutorily obliged to deliver a scheme, and that scheme needs to be approved, but we need to have confidence in them. We are talking about a substantial and significant effect of localism. We took the decision to give more powers to local authorities, and we need to be able to trust them.

However, hon. Ladies and Gentlemen opposite have been saying that their leader did not say those words. I happen to have a transcript from the "Today" programme. He was asked a question about welfare, and this is what the right hon. Gentleman said: there do need to be "big changes", with a

"greater sense of responsibility in the system...Anybody who can work should work".

We have to

"have sanctions in our system...I...see...a minority...of people on benefits"

who have been given a

"false sense of security...The Beveridge system was about saying people should be rewarded...for contributions."

The right hon. Gentleman said that there should always be a safety net, and that

"In housing...need matters, but...you should also be rewarded with extra points...if you...work or volunteer,"

saying that some

"councils...are starting to do this...I am not against a cap"

on benefits. My word, how out of touch hon. Ladies and Gentlemen opposite are with what their leader is saying!

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Will the Secretary of State give way?

Mr Pickles: In a moment.

Part of the Opposition now concedes that the housing benefit bill is too big and needs reform. I hope that they would accept that the sister benefit—council tax benefit—should also be reformed. The reform must take place to help reduce the budget deficit. As the shadow Secretary of State for Defence conceded last week, a credible Opposition should reject "shallow and temporary" populism and accept the need for spending reductions. I am very sorry that Labour Members seem to have rejected that advice and that of their leader, given so recently.

We should all agree that reforms must also offer proper protection for vulnerable groups who cannot return to work. We will therefore be putting in place special safeguards for low-income pensioners, who will continue to be eligible for support. As championed by the Royal British Legion, this Bill will make council tax support a rebate—a discount—rather than a benefit. The previous Government changed the law to rename council tax benefit, but never enacted their own provisions. The Bill also allows changes in council tax to help reduce bills for hard-working families and pensioners. Homes left empty for the long term can be a blight on a neighbourhood. It is immensely frustrating for people who desperately need housing to see houses sitting idle, and for communities to have to tolerate the eyesore and crime that such houses cause. Currently, even when houses have been left empty for many months, councils can charge no more than the normal rate of council tax. We propose that councils should have the option of charging a higher rate of council tax when homes have been empty for more than two years. That will provide a stronger incentive for the owners to bring such homes back into use and end empty property blight.

Alongside the Bill, we have consulted on other proposed changes to council tax—changes that do not require primary legislation. They include reforms to council tax on second homes. Currently, councils are obliged to charge a reduced rate on second homes, of between 10% to 50%. We propose to allow authorities to remove this special tax break completely, treating everyone equally and fairly. Taken together, those flexibilities on council tax have the potential to reduce families' council tax bills by £20 a year.

Some have asked whether it is time to review other discounts and exemptions. The Intergenerational Foundation, endorsed by the shadow Minister for London, called for an end to the single-person discount, which would tax the elderly out of their homes. We have looked at the case for ending the single-person discount, and we have rejected it. This Government have no intention of imposing a new stealth tax on 8 million single persons; nor will we increase the tax on hard-working people who pay their taxes, who save and who invest in their homes.

The Bill stands alongside the action that this Government have taken to make local finance fairer and more effective, including the two-year freeze on council tax, the cancellation of any council tax revaluation, the abolition of the new bin taxes, and the introduction of new rights for residents to veto excessive council tax rises. The measures that we are introducing today will build on those improvements. After years of indecision and inaction by Labour, these measures represent a positive and practical step forward. The Bill will help to create the right conditions for growth, reward councils that boost the economy, and make local government finance more effective and fairer for all. I commend it to the House.

7.11 pm

Hilary Benn (Leeds Central) (Lab): I should like to begin by wishing the Secretary of State—and, indeed, you and all other Members, Madam Deputy Speaker—a happy new year. I am sure that our return to the House has been looked forward to with even greater anticipation than usual, given that the first piece of legislation that we are to address is the Local Government Finance Bill.

The Secretary of State touched on the fact that local government funding has long been debated and much argued over. At the heart of the matter is the age-old question, which was highlighted by the Layfield report in the 1970s, of whether central or local government should take the decisions. That question has never been fully resolved because the answer depends on the decisions involved and on what we are trying to achieve. Partly for that reason, Bills proposing fundamental changes to local government finance have not come along very often. The previous two were the Bill that brought in the poll tax, which should stand as a warning of what happens when a Conservative Government get things spectacularly wrong, and the one that replaced it with the council tax. That experience should remind all of us

[Hilary Benn]

that how we fund local authorities and the services that they provide to all our communities is a matter of the greatest importance.

The Secretary of State reminded us of what the coalition agreement said about a radical devolution of power and giving greater financial autonomy to local government. Indeed, he also referred to his words of last July, when he said that councils would no longer have to come to him with a begging bowl. He has set a very high bar against which his Bill is going to be judged.

Let me start by examining the way in which the Bill is being handled, which is the subject of tonight's programme motion. The local government resource review was first announced in the summer of 2010. The terms of reference were published in March last year. I recognise that there has been consultation on the proposals, but that consultation has simply not been carried through into the consideration of the Bill. The Bill was published on 19 December, just before the Christmas recess. We are having the Second Reading debate today, just two sitting days later, and we did not start the debate until 20 minutes to 7 in the evening.

The Government seem determined to take all the stages of the Bill on the Floor of the House, not because of the nature of the Bill but, as everyone knows, because the business managers are desperately trying to fill up time in the Chamber following their mishandling of the long parliamentary Session. They are not scheduling it in this way as a matter of precedent. Neither the Act that created the poll tax nor the one that replaced it with the council tax—the two Acts that this Bill, in the main, amends—had their Committee stages on the Floor of the House; they went into Committee. This Bill should also go into Committee. That is why we will vote against the programme motion.

By not allowing the Bill to go into Committee—*[Interruption.]* No, I hope that the Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst (Robert Neill) will listen to me. If the Bill is not allowed to go into Committee, there will be no opportunity for wider scrutiny of what the Bill—as opposed to the consultation—says. There will be no pre-legislative scrutiny of the Bill, and there will be no evidence sessions. Nor have we seen any of the regulations in draft. This is a pretty shoddy way for a Government who say that they support pre-legislative scrutiny and evidence sessions to deal with the scrutiny of a Bill.

On the substance of the Bill, the Secretary of State has advanced three main reasons for the changes—namely, that the present system is too complex, that it gives Governments too much power and that it does not provide sufficient incentive to local councils to develop their economies. I want to address each of those points in turn.

I accept that the current system is complex, but the truth is that any system will have a degree of complexity if it is to take account of the differing needs and circumstances of different communities. That is why we have complexity in the system. The alternative would be to leave councils and communities to sink or swim, saying, "Right—you take what you can in council tax and business rates; the Government will not get involved at all." I do not support that.

Many of us, however, are in favour of as much localisation as possible, and, in principle, of allowing councils genuinely to benefit from business rate growth. However, those who put forward these proposals have an obligation to come up with a system that meets a number of tests. Those tests must determine whether the proposals will actually put more power into the hands of the councils, whether they will provide the right incentives, and whether resources will be distributed fairly. They must also determine whether councils will be reasonably certain about the money that they will get, and whether they will get the right help to enable them to meet local need and changing circumstances.

The problem with the Bill, and the reason that we will oppose it tonight, is that it does not give the reassurance that many people are looking for on those five fundamental principles, either on local government funding or on the localisation of council tax benefit. There is no guarantee that any council will not be worse off, except in the first year. It is unclear exactly how much incentive will be offered. As my right hon. Friend the Member for Greenwich and Woolwich (Mr Raynsford) suggested, the Bill will replace one complicated system with another that is, in the words of London Councils, "fiendishly complex". One might think that that body would be arguing strongly in favour of these measures, given its position on business rates. Lastly, the Bill will give the Government a huge amount of control over how the money is distributed and how the system works, even though they claim that they want to devolve power.

When we read the Bill, which is supposed to be about putting local authorities in charge, what is really striking is the amount of power that it puts in the hands of the Secretary of State.

Ben Gummer (Ipswich) (Con): Will the right hon. Gentleman give way?

Hilary Benn: Will the hon. Gentleman bear with me for a moment?

Under the Bill, the Secretary of State will determine the baseline for every local authority, including, in effect, what he thinks every council needs to spend. He will decide how much business rate income central Government will take and how much will be left with local authorities. He will be able to change the central share from year to year, and to specify the tariff or top-up payment for every local authority in England. He will also decide how much any council must pay him in levy in respect of disproportionate gains in business rate income—and he will decide what "disproportionate" means.

Mr Kevan Jones: Will my right hon. Friend give way?

Hilary Benn: Will my hon. Friend bear with me for a moment?

The Secretary of State will determine safety net payments, and decide how much of the remaining balance in the levy account may be distributed to one or more authorities. He will determine how much billing authorities must pay to major precepting bodies. He will designate pooling areas, and decide which groups of people must receive a council tax reduction. He will decide which classes of dwelling cannot be charged extra council tax, taking account of the characteristics and circumstances of any

person liable—whatever that means. He will decide which areas are to be enterprise zones, and issue regulations to designate TIF areas. And in case all that is not enough, in clause 14(2) he gives himself a Henry VIII power that will allow him to amend, repeal or revoke any legislation he wants. That does not sound like localisation to me.

Mr Kevan Jones: I agree with my right hon. Friend about the centralisation of powers. The one power that is being given away to local authorities is the administration of council tax benefit, where local councils will have the invidious task of cutting council tax benefit to individuals. The Secretary of State is basically giving away the unpopular decisions, making sure that local people get the impression that local councils and not the Secretary of State are to blame for the cuts.

Hilary Benn: My hon. Friend is absolutely right, anticipating one or two points I intend to make later in my speech.

George Hollingbery (Meon Valley) (Con): The right hon. Gentleman really must make his mind up. On the one hand, he rejects a system red in tooth and claw; on the other, he wants the system to be incredibly fair. Can he explain by what mechanism he and his party would make the system fair, other than by some central interference?

Hilary Benn: I would merely say this. First, if councils had a choice between the system under the last Labour Government and the resources made available then, and the cuts imposed over the last two years and the system offered now, I suspect that they would say, "We prefer the old system." Secondly, the Secretary of State argues that this is all about giving away power and responsibility, but I am pointing out—I can understand why the hon. Member for Meon Valley (George Hollingbery) and his colleagues get irritated—the huge number of powers that he is keeping for himself to shape the whole system and how it works. Given that the Secretary of State has all this power, I gently say that I doubt very much whether the local authority begging bowl is going to disappear any time soon. The right hon. Gentleman has form on this, however. In his equally misnamed Localism Bill, he took for himself more than 100 powers. He says that he is passing down the levers of power, but the truth is that he is hanging on to them very tightly.

Ben Gummer: The right hon. Gentleman professes to be in favour of localism and to want to see it in local government, but he was a prominent member of the previous Government who for 13 years produced numerous White Papers, manifesto commitments, and the entire Lyons report, which took three years to compile—yet nothing was produced or brought before this House over that period to localise business rates. He nevertheless stands up here and complains about what is being done.

Hilary Benn: First of all, if we are talking about centralisation, the hon. Gentleman needs to think about who nationalised business rates. It was his party. Who was it who abolished London-wide government and who made a mess of the poll tax? In all honesty, I say that making a change in haste in the wrong way is done at one's peril. The warning of that is provided in the poll tax. If we look back at the debates when the poll tax was being argued for, we find Ministers arguing that this was the most wonderful thing. The people who have really made a mess of local government financing in this country are the Conservatives. Local government would much prefer to have the resources they had under the 13 years of the Labour Government than what they are experiencing under the current Government.

The point is this. It is not about whether we trust local councils or local communities. The question people looking at this Bill will be asking themselves—and, to judge by the consultation, they are—is whether they trust this Government and whether they trust this Secretary of State to use all these powers in a fair way. To judge by what has been done so far, there is not much room for confidence. We know that this Bill is being introduced at a time when local authorities are facing unprecedented cuts. Cuts do have to be made—*[Interruption.]* Well, I have said that on a number of occasions, but there is no excuse, no rationale and, so far, no justification for why these cuts are being applied in such an unfair way to communities.

As the House knows, one shocking statistic from SIGOMA—special interest group of municipal authorities—tells us everything we need to know about this Government's idea of fairness. It is the fact that the 10% most deprived upper-tier authorities are facing a reduction in their spending power that is nearly four times greater than that faced by the 10% least deprived authorities.

Let us take just one example from figures produced by Newcastle city council. For every local authority, it looked at the cuts for 2010-11, 2011-12, 2012-13, transition and council tax freeze grant and the provisional new homes bonus allocations. The figures show that Basingstoke and Deane authority will see a cumulative gain of £6.30 per person, whereas Knowsley will see a cumulative loss of £227.35 per person. If that is not balancing the books on the backs of the poor, I do not know what is. What possible justification can there be for such unfairness? When I asked the right hon. Gentleman about it at Communities and Local Government questions recently, all he could do was bluster, so how can councils have any confidence that they are going to be treated fairly under the Bill, particularly for communities where there is a great deal of deprivation, communities with fewer opportunities for business rate growth and communities where a lot of people cannot find a job?

Mr Marcus Jones (Nuneaton) (Con): The right hon. Gentleman extols the virtues and fairness that there seem to be have been in the local government finance regime during the period of the Labour Government. Can he explain, then, why the gap between rich and poor widened during those 13 years?

Hilary Benn: That is not true in relation to local authorities such as my authority. For example, the number of children in poverty across the country was reduced by 600,000, while this Government is in the process of increasing child poverty, as the hon. Gentleman knows, so I am not taking any lectures from him about how to tackle inequality and unfairness.

The truth is that councils are worried that under this Bill, as SIGOMA warns,

"the gap between more prosperous and less well-off authorities will widen as a result of the policy".

[Hilary Benn]

Local Government Yorkshire and Humber fears that

"the Government's proposals are...likely to favour urban over rural areas and retail development over manufacturing growth...we could easily lose out."

Those are the concerns that the Secretary of State must address.

Let me deal with the second argument we have heard—that the changes will incentivise economic development. Here, I have a request for the Secretary of State. It would be really helpful if he could clear up the confusion he has created about the Government's view on whether local authorities want to see economic growth in their areas.

I ask that because in paragraph 1.16 of his Department's response to the consultation on business rate retention, it says:

"We know that local authorities are keen to grow their local economies."

I agree with that, which is exactly what councils up and down the country want and seek. So can the right hon. Gentleman explain why the impact assessment published by his Department at the very same time on the very same day says the very opposite—that

"local authorities are generally reluctant to....promote economic growth"?

These are two completely contradictory statements—

"keen to grow their local economies"

in one document, and

"reluctant to promote economic growth"

in the other. They cannot both be true, so which one represents the Government's view? I am happy to give way to the Secretary of State for him to explain. Well, there is no answer. It would be helpful if documents were read a bit more carefully before they were published.

On the question of incentives, I note that business rate localisation—the term that used to be used—has now become business rate retention. No doubt that is because it has become clear that the Government will take a proportion of business rate income in the form of the central share payment. In effect, it will allow the Government to top-slice such income and, as the Secretary of State has said, to control local government spending.

Before anyone on the Government Benches says that all that money will be returned to local government, the House needs to be aware that although that sounds good, the money is of course fungible across Government. Using that income from retained business rates to pay for other grants to local government will, in effect, create a saving for the Government because it will relieve the Treasury of having to find the money from elsewhere. So, in effect, we have set-aside by another name and in another form.

We do not yet know what size of share the Government intend to take either in the first year or in subsequent years. Nor has any promise been made—I did not hear it tonight—that the share will not change from year to year. It is, in the words of the Local Government Association, one of the many detailed points that "remain unresolved". As this is, in the main, an enabling Bill, we will not see that detail until later.

Thirdly, I turn to the question of fairness. The Secretary of State is on record as saying:

"we will ensure that no one will be worse off when the new system is introduced than they would have been under the old system."—[*Official Report*, 18 July 2011; Vol. 531, c. 663.]

That sounds reassuring, but it is only valid for twelve months. What about years 2, 3 and 5? Can the Secretary of State guarantee that no council will be worse off then as a result of the change he wants the House to bring in? These are really important assurances, for which councils are still looking. As the Secretary of State's colleague Sir Merrick Cockell, chairman of the LGA, put it:

"Reform must...ensure that those areas that do not have the capacity to raise huge amounts of funding through business rates do not lose out."

SIGOMA has asked why Ministers have decided not to restore resource equalisation to its 2010-11 cash level, which could have been used as a baseline for future grant allocation.

What guarantee has been given to councils that the tariff and top-up mechanism will produce a fair result, especially given the coalition's track record? Why do the Government think—or, to be strictly accurate, have the "aspiration"—that resets should happen only every 10 years? We think that they should be more frequent, as do most of those who responded to the consultation.

What about the circumstances, which were mentioned earlier, in which councils lose a major employer, and hence business rate income? That is a very serious matter. How quickly will such councils be given help, how much help will they be given, and how long will it last?

What about the perverse incentives in the business rate system that encourage retail units and gyms more than manufacturing, and encourage warehouses employing few staff more than factories employing a large number of workers?

Then there is the levy mechanism. Last July the Secretary of State told the House:

"There will be no cap on the amount of business growth from which such councils can benefit. A council will be better off as a result of growth". —[*Official Report*, 18 July 2011; Vol. 531, c. 663.]

Yet the Bill gives the Secretary of State power to decide how much of any growth in business rate income a council can keep. He alone will decide what constitutes a disproportionate benefit. That is the reverse of the localisation that he promised. The retention of business rates is clearly not all that it seems.

If the purpose of the levy is only to fund safety nets—and that is not clear—why does paragraph 28(1) of schedule 1 make it possible for only part of any surplus balance in the levy account to be given back to one or more local authorities? Does that mean that, in effect, a second top-slicing mechanism is being created by the back door?

All that makes it clear that no one can say at this stage what the incentive from keeping some business rate income growth will be. That is why London Councils said, in its briefing on the Bill,

"'the business rate incentive is uncertain and unpredictable".

What is more, in some cases there could actually be a disincentive. Under the current system, if a council decides to engage in a big redevelopment and regeneration scheme in the centre of its town or city, such as rebuilding that centre, the loss of business rates for an extended

period is not a problem, because it does not affect the resources that the council receives. Under the Bill, however, it could well be a problem. It may cause the council to conclude that it is not sure whether it wishes to proceed with the scheme, although the Bill is supposed to be all about encouraging growth.

Let me now deal with the other main part of the Bill, which concerns council tax benefit localisation. It constitutes a step backwards towards a time when different areas gave different help to people in need. The big question is this: why are the Government making this change, and why, if they are determined to do so, have they not linked it to universal credit, as was suggested by many people in the consultation? The fact that they have not done that will lead to a great deal of confusion.

Rent is one cost that people face in order to live somewhere, and council tax is another. In the first case there will continue to be a national scheme to provide help; in the other the national scheme is to be abolished, and councils will be left to decide what benefit should be provided. However, the Government intend to legislate to protect certain council tax payers, while at the same time imposing a 10% cut in the amount that goes to local government to meet the cost of paying the benefit. In areas where there is a lot of need—for different authorities have different needs and different circumstances—that will constitute an additional cut on top of the existing reduction in local authority resourcing of over 19% in the last two years.

Because the Bill will rightly give continuing protection to pensioners, it is inevitable that, unless councils try to reduce benefit for those who are out of work, people who work but are on low incomes will be hit the hardest. Indeed, that is what the Government's own impact assessment says. The House of Commons Scrutiny Unit has made an estimate of the impact of the 10% cut with protection for pensioners which suggests that non-pensioners—people of working age, whether working or not—will face an average cut of 16% in their council tax benefit support. Of course, in areas where the number of pensioners is higher than average, the cuts facing everyone else will be even bigger.

The New Policy Institute, which has also looked into the effects of the cut, has found that five of the 10 hardest-hit local authorities are among the top 10 most deprived areas, according to the 2007 indices of multiple deprivation: Hackney, Newham, Liverpool, Islington and Knowsley. Meanwhile, according to the same indices, the two least affected areas, Hart and Wokingham, are also the two least deprived. Does that sound familiar? Of course it does. Once again, cuts are being imposed unfairly by the coalition Government. Moreover, the Government's policy is completely incoherent. The Department for Work and Pensions says, "Hey! We want to make work pay!" but here is a policy that will end up doing the very opposite.

The Secretary of State has a completely inconsistent attitude when it comes to protecting people from council tax increases. When he announced the council tax freeze in March last year, he declared resoundingly:

"we are determined to protect hard-working families...This is about giving real and immediate help to families struggling with the daily cost of living."

Yet here he is now, proposing a policy that will result in a significant increase in council tax bills for some people, particularly those who work and try to do the right thing, but are on low incomes. Those are the people who he said, less than a year ago, that he was determined to protect, but now he wants us to vote for a measure that could, in some instances, wipe out all the benefit of the council tax freeze. Furthermore, the cuts are being introduced at the very moment when more people are going to need help with their council tax bills. Why? Because unemployment is rising. Why do we know that? Because the Chancellor has told us so.

Costs could also rise because of increased take-up. What account have the Government taken of that—and what about higher unemployment? How are councils expected to cope with that? Given that they will possibly end up designing different schemes, there is a risk that people will decide to move from one council area to another because of the different levels of council tax benefit. And what about the collection costs? As the Conservatives learnt when they introduced the poll tax, when councils start trying to collect money from people who do not have a lot of money, they have a problem. People who are poor must make decisions about what bills to pay, and in what order. What assessment have the Government made of the practicality of collecting the money? What about all the other benefit changes that will affect the same group of people at exactly the same time? I hope that the Secretary of State realises that that when a lot of people discover that they are being hit with increases in their council tax—for that is what his Bill does—there will be a great many appeals. How much will that cost?

Finally, there is the timetable for the implementation of the change. The decision to implement it from April next year was widely criticised by respondents to the consultation, and the Select Committee on Communities and Local Government has called for a delay to allow councils time to put their schemes, software and administration in place.

We do not support this change, just as we do not support the Bill. It does not pass the tests of fairness, incentive, certainty, and helping councils to meet local need. It does nothing to deal with the unfair way in which the Government have imposed the largest cuts on the least well-off communities. The Secretary of State claims to be the great champion of localism, but he has presented the House with a Bill that gives him all the power to determine what happens, including the power to take and keep a top slice of business rates. No wonder the LGA said in its briefing for today's debate:

"That is not a localising policy and goes against the Government's stated commitment to localism."

Say one thing and do another: that is the story of this coalition, and that is why the right thing to do is to reject this Bill.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. Twenty-six Back Benchers have indicated that they wish to speak in the debate, which is due to end at 10 o'clock, with the wind-ups starting at 20 minutes to 10. We shall therefore start with a limit of five minutes on each Back-Bench speech, from now on. There is nothing else that I can do to give more Members an opportunity to contribute to the debate.

7.39 pm

Henry Smith (Crawley) (Con): It was a great privilege to speak in last year's Second Reading of what is now the Localism Act 2011 and to serve on the Bill Committee, but I always considered that legislation to be only a part of the overall programme of localisation that this Government are, happily, determined to introduce. In the financing of any system, the old truism still holds that he who holds the purse strings controls the power. The way in which local government is funded is an important aspect of localism. That is why I am pleased that we are completing early in this Parliament the process of radically shifting the balance of power in this country from central Government towards local government, local communities and individuals. The Localism Act was a significant contribution to that move, and this Bill completes it.

For seven years I was a county council leader operating under the system we are seeking to remove. My right hon. Friend the Secretary of State rightly noted that, as the OECD has said, it is incredibly complex and completely lacks transparency. Worst of all, it is incredibly subjective. Ministers have therefore been able to use this complex system to fund parts of the country that they favour politically. I witnessed that several years ago when I was a council leader. The funding formula produced for West Sussex county council—an authority that covers more than 750,000 people and 770 square miles, and with a capital and revenue budget of about £1 billion—was an increase of just £6,000. At the same time under that formula, Birmingham city council received an increase of £12 million. West Sussex county council tried to find out how the funding formula was calculated, but there was a complete lack of transparency. The central Government Department did not want to tell the authority how it was worked out. We then invoked the Freedom of Information Act, and an obscure measure from 1947—the Statistics of Trade Act 1947—was used to explain why we could not be told what the funding formula was. The system desperately needs reform, therefore.

I welcome the retention of the business rates scheme, which will localise business rates. Most people are perplexed about why business rates currently go straight to Whitehall in an inefficient way and are then inefficiently redistributed around the country.

Gatwick airport lies within my constituency. It is a massive economic driver. It would be nice if we could keep all the business rates. If so, I do not know whether we could quite pave the streets with gold, but we could probably fill in a few potholes with gold. It is right to have a system whereby central Government can redistribute in order to support less economically buoyant areas around the country, but it is also right that we localise a large proportion of business rates and thereby allow local authorities to be much more responsive and to encourage economic growth. That is good not only for localism, but for economic growth in each local area—and therefore for the economic growth of the country as a whole and for our deficit reduction programme, which is so important to the well-being of the country.

I wholeheartedly support the Bill. It is good for our local communities and for council tax payers. Finally, I thank the Secretary of State for working with our local authorities to freeze council tax for another year; it rose by 128% in Crawley between 1997 and 2010.

7.45 pm

Mr Clive Betts (Sheffield South East) (Lab): I am a localist. I believe that this country is too centralist and that, in order to further localism, local authorities need to have more control over their own finances.

In 2004, the Select Committee that I now chair produced a report on local government revenue in which it concluded that business rates income should return to local authorities, where it was raised. I have no problem in principle with measures that seek to give local authorities more incentives to encourage development in their areas and that allow them to retain more of the finance raised in their areas, but let us look at what the situation was in 2004. The components of local government finance then were council tax, which councils kept, and business rates, which were taken to the centre and then redistributed, and about one third of local government revenue came in the form of central Government grant and was distributed according to the resources of councils and their needs. Under the Bill's proposals, there will be a fundamental change. When they are introduced in 2013-14 local government finance will, essentially, come from only council tax and business rates; the Government grant element will go completely.

The Government therefore face a problem. They propose that the council tax will be left as it currently stands, so they have two objectives for business rates. On the one hand, they want local authorities to retain them so they can provide an incentive for development in their areas and have more control over their own financial futures. On the other hand, the Government want business rates to be used as a mechanism for redistribution—for taking from areas with higher resources and giving to areas with greatest needs. That is the fundamental conflict at the heart of the Government's proposals. They are trying to do two conflicting things with the one tax of business rates.

That is why the proposal is not for a simple retention by local government that everyone could understand, whereby money raised in an area is kept in that area. Instead, we have a complicated system in order to try to ensure that one tax addresses two conflicting priorities. That is why we will now have a complicated system, and one that further centralises power by giving more powers to the Secretary of State. This is centralised localism once again. The proposal fails to achieve what the Secretary of State says he wants, which is to ensure that authorities with great needs have the same amount of resources to spend as previously. All the information we have received suggests that authorities in the greatest need will lose out.

I welcome the Secretary of State's proposal not to put council tax into the universal credit, as I think it should be kept at the local level. My problem is with the 10% savings authorities are meant to make. Rightly, pensioners will be protected from many of the cuts that that 10% saving will impose. However, if authorities take account of the tapers under universal credit, so there cannot be reductions for those in work claiming council tax benefit, the total burden will fall on the unemployed of working age who claim council tax benefit. Up to 30% of their benefit could be taken away, and if unemployment rises there will be a further reduction in income so authorities will have to cut either other services or, again, the benefits of the unemployed who are of working age.

There is a further issue. Council tax has been a stable source of income for local authorities over the years. It is not like a sales tax or an income tax, in that revenue from it does not tend to fall at times of economic difficulty. Now, however, for the first time local authorities will find that their main source of income, council tax, will go down at a time of economic difficulty. That will create instability at the heart of local government finance. The Select Committee looked into this issue. It is impossible to believe that bringing in a system in a matter of a few months—consulting on it, designing it, bringing in all the new technology required to implement it—will not result in any disasters caused by a failure to implement things properly, and such disasters will cause genuine hardship for people. I do not think this proposal can be delivered with certainty within the time period.

People whose income changes will also find that they have to go to one office for council tax benefit changes and another office for housing benefit changes, which will add further confusion. The Bill does not take that into account.

7.50 pm

Annette Brooke (Mid Dorset and North Poole) (LD): As is declared in the Register of Members' Financial Interests, I am a part-owner of a very small business.

First, I welcome the general thrust of the Bill: to devolve greater financial powers and freedoms to councils, which is very important to me. On business rates, I believe the case for reform is overwhelming. The proposals in the Bill will move us away from a complex, non-transparent, centralised system, which offered no built-in incentives for councils to drive economic growth.

Of course, it is difficult and I think brave of the Secretary of State to propose such a radical overhaul of the existing system, and it is easy to focus on all the fears, which have to be addressed in our subsequent discussions. In utopia—if there are such things as taxes there—perhaps we could draw up a system where all decisions are taken locally, where all business rates are retained locally, where there are real incentives for local authorities to promote economic growth, where there is a perfectly fair outcome for all, and where there are not unpredictable changes in business activity or devastating impacts from structural changes in our economy. I rather doubt that, but it is clear that in the real world we have to take a pragmatic approach and achieve a balance between the objectives of localism, fairness and incentivisation, while providing a safety net and transparency. Incentivisation must be balanced with protection of appropriate resources for all areas, especially those with the greatest needs. This needs to be done equitably, effectively and transparently for all.

The Government have made the commitment that there will be a fair starting point, so that no council is worse off at the outset of the scheme. Tariffs and top-ups are proposed, but with provision for councils to benefit from growth in their business rates. Of course, the devil will be in the detail; we have a lot of scrutiny to do. There are safety net provisions, with a levy to tap into disproportionate gains. Personally, I would like to see local government playing a full role in operating these equalisation mechanisms, along with central Government.

There is a need to provide clear incentives for individual local authorities to gain from additional local development, but I do have some concerns about possible unintended consequences. We have heard mention of the incentives to promote large warehouse developments. They will yield the business rates, but perhaps not the same incentives to promote SMEs. SMEs may well be more job-creating, which is all important for the local area. We have a great deal of careful scrutiny to do there in order to avoid such distortions.

On set-aside, there is a degree of centralisation. It is a first step. In the longer run, I, as a Liberal Democrat, think there is a lot more scope for local decision making. Taking a purely localist view, the localisation of council tax benefit should be welcomed and I certainly welcome the theory, but I do have concerns about the practicalities. The 10% reduction in the overall budget and the centralised decision to retain existing benefits for pensioners, right as it may be, does put constraints on each council devising its own scheme. It also raises genuine concerns about whether it will be possible to protect all vulnerable groups of working age adequately.

In order to implement a local scheme, each local council will have to use different software, so there are many practicalities that need to be looked at.

On empty homes, there is a real opportunity to drive this agenda further than in the past. With 300,000 homes being vacant for more than six months, I am excited by the Bill's proposal to go further than just giving more discretion to local authorities, and to introduce an empty home premium after a property has been empty for two years. One of my own local authorities is not very keen on this, arguing that an empty home cannot be defined. I am astonished by this response to the consultation—I thought we had gone beyond the days when we said what was furnished and what was not, and so on.

I want to touch briefly on council tax, which is dealt with mainly in the consultation and not in the Bill. I welcome the fact that we can perhaps have a higher tax on second homes. Some 7.29% of homes in part of Purbeck, which I represent, are second homes. This issue is important, and I would like to examine the case for a second-home premium, similar to the empty homes premium. I would also be interested in considering allowing the billing authority to keep some of the extra revenue. If we can do that for the business rates, which I welcome—obviously, in a two-tier authority the district council will be the driving authority—why cannot—

Madam Deputy Speaker (Dawn Primarolo): Order. I call Jonathan Reynolds.

7.55 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): The Government's promise today is that the measures contained in the Bill will encourage local economic growth, and in these times there cannot be a Member on either side of the House who would not back legislation that would do that. Over Christmas, many of my constituents told me that it already feels like the bad old days of the 1980s are back—and not just at the cinema. They want us, as a Parliament, to do something about it.

Encouraging enterprise and enabling local councils to promote growth are good policies that I support in principle. I have always believed, particularly during my time as a councillor, that local authorities should have

[Jonathan Reynolds]

more tools at their disposal to tailor policies to their area. However, I am not convinced that the measures in this Bill will deliver these aims.

At the heart of the Bill are plans to localise both council tax and business rates, but as time is limited I will concentrate on the collection and distribution of business rates. As we have heard, under these proposals councils will retain the business rates they collect, which will then be subject to a top-up or a tariff. Clearly, the Government intend that those authorities where the economy is booming in excess of expectation will benefit financially through the increased collection of business rates. As a result, residents in those areas may find their streets a little cleaner, the flowerbeds in the parks better stocked and their libraries open longer; but underneath those plans the cost of the better services in the booming areas will be met by areas where economic growth has faltered. In these areas, where deprivation and unemployment are increasing, councils will not benefit from the additional funding, no matter how desperately it is needed. It is these residents who will suffer the loss of vital council services as a result.

The measures in the Bill are likely to lead to a growing divide between "winners" and "losers", risking some areas spiralling into decline while others continue to grow. Already the Government's own figures have shown that their spending cuts have disproportionately impacted on areas such as Greater Manchester. The unfairness was so pronounced that last year the *Manchester Evening News* began a campaign against it. The Government should have taken more notice of that campaign and campaigns like it.

I understand that the changes in the Bill will use the already announced spending allocations from 2012-13 as a starting point for the new scheme, but in doing so they will build a system on unfair foundations. What the Government propose will exacerbate that unfairness. It is the job of the Government to mitigate the impacts of the recession, not compound them by leaving those in trouble to fend for themselves. I appreciate that the Bill does mention top-ups, tariffs and safety nets in order to prevent this, but there is no indication that these measures will be robust enough. In fact, there are no estimates as yet of the impact the changes will have on individual local authorities. I do not believe the Bill should be allowed to progress until there are stringent mechanisms in place to ensure equity in resource allocation.

The Bill also fails to recognise that the actions taken by a council are not the sole determinant of economic growth in an area, no matter how effective it is. I am intensely proud of Tameside council, my local council, which has always played an activist role in the local economy. It has always been forward-thinking and willing to use the private sector or anyone else to try to make services better. Tameside is of course one of the 10 Greater Manchester councils that have worked together to develop one of the most successful systems of city region governance in the country: first, through the Association of Greater Manchester Authorities, and now the Greater Manchester Combined Authority. The Government should recognise that this successful collaboration, which includes councils under the political leadership of all the main parties, stems from an acknowledgement that the authorities in a city region must have strategies that are complementary, not competitive.

Successful business growth in the centre of Manchester is good for my area, because the people who work in those businesses may move out to Stalybridge or Hyde, where they will get a bigger house and more open countryside for their money. However, if we localise the business rate in the wrong way, that collaboration is broken, to the detriment of everyone concerned.

Greater Manchester's councils are among the most innovative in promoting business and growth on a local and regional basis, but successful as they are, they are not the sole determining factor of economic growth in an area. Indeed, official figures from SIGOMA, reported in the *Financial Times* last week, suggest that 80% of the factors relating to promoting business growth in a given area are nothing to do with local government. Particularly in this era of economic difficulty, there are factors that impact on local economic growth that are way beyond the control of local councils. Implementing a system that would penalise hard-working and innovative councils when external factors come into play would be wrong. The Government may feel they are justified in recognising economic growth in this way, but if they are rewarding areas for circumstances beyond their control, this is no more than a lottery.

We have very little time to discuss this important Bill today. Those who are not involved in local government finance may consider it an unimportant technicality; however, it will have a serious impact on our local authorities, and I will vote against it today.

8 pm

Andrew Bridgen (North West Leicestershire) (Con): I welcome this Bill as yet another example of this Government's commitment to localism, private sector business growth, local democracy and local accountability. For too long, councils have not had sufficient incentive to drive business growth in their boroughs and districts. The proposals will mean that councils that have been unwelcoming to the private sector and job creation, or even those that treat the private sector with antipathy, will be found out. They will be answerable for their actions or for their inaction, and will risk punishment at the ballot box, where they will rightly be held accountable by their electorates.

At this point, I should declare an interest. Nine years ago, I relocated my business. I wanted to grow the business and create more employment in a district which is now the constituency that I represent. The unhelpful nature of the then Labour-controlled local authority meant that the project took eight years—it took eight years to go through planning and construction, and the issue was resolved only when it dropped on Tony Blair's desk as the worst case of red tape and bureaucracy holding back a small or medium-sized business in Great Britain. Since the eventual relocation, in 2003, the company has created more than 150 new jobs for the district, and has paid just under £3 million in corporation tax and £1 million in business rates. We will never know how much more the company could have done if it had not been so mired in bureaucracy for so long. Happily for residents and businesses in North West Leicestershire, the district council is now Conservative-controlled, and has been since 2007, and only last week I was discussing

with the council leadership how the authority will be focusing this year on creating jobs and business opportunities in our district.

If we examine the words of the shadow Secretary of State today, we find that they reveal the real beliefs of the Labour party about business and democracy, and go some way to explaining why Labour is not supporting the measures in the Bill. Interestingly, the Opposition now agree with the need for reform, but that raises the question of why they failed to act for 13 years in government. The facts suggest to me that they ignored the need for reform because of the central command and control that the current system gives the Treasury or, alternatively, they simply did not have a clue what to do—perhaps it was a combination of both. What I would say is that we need to move away from the dependency mindset in local government, which leads to councils investing much of their effort in lobbying central Government for funding by demonstrating deprivation. Instead councils should be investing in local growth, in a system where they can raise more than 80% of their revenues locally, which gives them a tangible stake in supporting local shops and local enterprise. Such an approach is in stark contrast to the command-like structure that the previous Labour Government favoured. The shadow Secretary of State has said:

"The proposals don't sufficiently incentivise councils to get growth going".

Yet Labour left a legacy of no incentive for local councils to go for growth, and so the stance could be construed as hypocritical.

Another concern that the shadow Secretary of State expressed was that there is no guarantee that some councils will not lose out, and so we get to the nub of real Labour party thinking. I believe that Conservative-led councils will do rather well out of this policy, but that is not because the proposals give an unfair advantage at the beginning. The starting point has been explained, and it is transparent and fair. Councils will have a set baseline and those already above it will pay a tariff to the Government, while those below it will get an individually assessed top-up from the Government. So it is fair to say that all councils will start on a level playing field. I would therefore say that a fear of democracy, transparency and a loss of central control is driving the Labour party's opposition to this Bill. In a nutshell, the current system encourages councils to take part in a race to the bottom in order to get funding, whereas our proposals will incentivise a race to the top.

I warmly welcome this Bill as another step towards creating the growth we need to deal with both the financial and democratic deficit left by the previous Administration. This Government are proving, yet again, their commitment to devolving decision-making powers to local people and making them both responsible and accountable for their actions.

8.4 pm

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): First, may I draw attention to my interest, as declared in the register?

The Bill speaks volumes about the Government responsible for introducing it. First, it is largely incomprehensible, and I challenged the Secretary of State, when he was in his place, to explain, in plain English, the meaning of the first seven clauses. Of course he immediately had to rush to get a copy of the explanatory notes, which he read out in a rather tedious way, because it is impossible for the lay reader to understand the clauses. They are phrased entirely in terms of amendments to existing legislation. Interestingly—this is perhaps why he was unwilling to rise to the challenge—the very first piece of legislation referred to, in clause 1, is the Local Government Finance Act 1988. Some people will know what that was—it was the Act that introduced the poll tax. So the people responsible for the poll tax are back with us again, only this time they have the Liberals on board with them.

The Bill is incomprehensible as legislation and it is contradictory in that its effects will be very different from what it claims to do. It talks the language of localism but, as my right hon. Friend the Member for Leeds Central (Hilary Benn) ably pointed out from the Front Bench and as was equally highlighted by my hon. Friend the Member for Sheffield South East (Mr Betts), the Chair of the Select Committee on Communities and Local Government, it is actually a deeply centralising measure that gives huge powers to the Secretary of State to determine what amounts of local revenue can be retained by individual local authorities and, crucially, how much will be clawed back by the Treasury. One of the key provisions, which the Chair of the Select Committee highlighted, is the erosion of grant support from the Government to local authorities. The main source of revenue to local authorities will now be business rates but authorities are not even going to have the benefit of retaining all those rates because of the claw-back provisions in the Bill. The Bill is a deeply flawed, centralising measure that does not do what it says on the tin; it covers itself in the language of localism but is a profoundly centralising measure.

Let us address the part of the Bill that deals with council tax benefit, which is a nasty little piece of legislation and which does not just cut 10% from the benefits of people who depend on this for support with the cost of their council tax. There are large numbers of these people—almost 6 million—and, on average, they are getting about £15 a week, or £800 a year. A very large number of vulnerable people depend on this revenue, some of whom will have all of it taken away and some of whom will have some of it taken away. We do not know what the consequences will be, because the Government have not yet set out the detailed rules. Therefore, local authorities, which are expected to introduce the provision in just a year's time—they are to have the scheme in place by the end of January 2013—do not know how to begin to plan the scheme because they do not know what the Government's reserve requirements are.

I must say to the Government that the approach being taken is horrifyingly reminiscent of another disaster of the 1980s: the introduction by the then Conservative Government of housing benefit. The Conservatives like to forget or obscure the fact that it was the Thatcher Government who introduced housing benefit and were responsible for the scheme which Conservatives are now attacking, criticising and saying needs reforming. Its introduction was done in just the same way that the current Government are proposing to introduce these changes: in a rush, without adequate consultation and with a lot of the detail unavailable until very much the last minute. The consequence then was administrative chaos, which was described by some of the country's most respected newspapers as the

"biggest administrative fiasco in the history of the welfare state."

[Mr Nick Raynsford]

I have to say to this Government that they are on track to repeat that experience now. They are rushing ahead with a highly complex scheme without giving local authorities the time to prepare properly, and they are going to do it in a way which imposes steep cuts and therefore affects the living standards of people who depend on this benefit for their welfare. The approach is profoundly irresponsible and I sincerely hope that the Government will at least use one of the powers that they have given the Secretary of State in this Bill and, by order, amend the date on which this scheme can be introduced. I sincerely hope that they will listen to the good advice of the Select Committee and defer what otherwise promises to be an administrative fiasco that will cause immense hardship.

8.9 pm

Ben Gummer (Ipswich) (Con): It was said at the beginning of the debate that we live in one of the most centralised states in Europe, if not the world. Only Malta, according to the Government, has a more centralised system of local government. The Netherlands, in my understanding, is the only other country that collects less of its tax locally than Britain. That is bad not just in itself but because it goes against the Government's stated objectives of localising as far as possible, not just down to local government but from local government to communities, from the European Union to national Governments and so on.

The shadow Secretary of State, the right hon. Member for Leeds Central (Hilary Benn), put the debate in the context of Layfield and the broader history of local government finance, and correctly so, but we cannot speak about local government and its relationship with business without thinking about why we have many of our local authorities and why they were successful 100 years ago or 150 years ago in creating the great towns and cities that many of us are profoundly lucky to represent.

The hon. Member for Stoke-on-Trent Central (Tristram Hunt) has written eloquently on this subject and I feel that, as he sits on the Opposition Benches, we almost have the ghost of Joseph Chamberlain with us—a man who showed that the union of business and local authority, through municipalism and corporatism, could create urban spaces that were good for every type of person in that authority, creating wealth, prosperity and growth and the great civic buildings of our towns and cities. That approach created the urban growth that made wealth and prosperity possible in the latter half of the 19th century, with the first great slum clearances, the provision of a good water supply and all the things on which we still depend today.

The way in which we have gone from that position to where we are now, when, if we are honest with ourselves, councils represent in many cases a desiccated, demoralised and often moribund arm of the state, is a profoundly sorry story and one for which responsibility is shared, as the shadow Secretary of State so correctly said, by Governments over many years. It started a long time ago, in 1835, which was the first time that central Government took a precept from local taxation. Even by the 1870s, 90% of taxation was still raised locally and that figure did not fall beneath 70% until the 1950s. The decline fell to the point at which, between the period covered by 1993-94 and the 16 years that came afterwards and 2011, there were only two years when 50% or less of the funding was provided by central Government. The result is threefold: we have a declining calibre of councillor and officer from parties represented in every part of this Chamber; we have a rupture in the relationship between business and councils that has stifled economic growth, especially in our provincial towns and cities; and we have falling participation and democratic interest from the electorate.

The Bill does an enormous amount to start to turn the clock back to a position in which local authorities have responsibility for growth and can reap the benefits of seeing businesses start up, employ people and create prosperity and wealth in their areas. Importantly, it also includes the downside risk, and this is where I welcome the Government's reform of council tax benefit. Councils must feel the heat under their feet that will be caused by the fact that if they do not get local economies going, they will have to bear the consequences of dealing with the result, which is joblessness. It is important that they do everything in their power to ensure that companies can prosper and employ, creating jobs and growth.

The much-stated aim of councils is that they want to work with businesses, but frankly, as we know, they often pay just lip service to that. I ask the Government to look even further at tax competition between local authorities, so that we can have a genuine fight for jobs, prosperity and growth in the towns and cities across our country.

8.14 pm

John Healey (Wentworth and Dearne) (Lab): The Bill brings about the most fundamental change in local government funding since the poll tax. Like the poll tax, it is a big change that is being forced through too fast and, like the poll tax, there is no consensus of support behind it. This reform and this Bill build in unfairness like a ratchet.

At the moment essential local services are funded on the basis of need. After this legislation is passed, they will be funded on the basis of the ability to raise tax and pay locally. Ninety years ago, 30 councillors from Poplar went to prison to establish the principle of equalisation in local government funding. That equalisation means that we now have a system of funding that enables each council to provide services to residents to a similar standard. That is why the current formula for grant to local councils takes into account population, need and the capacity to raise funds through the local council tax. It takes account of the fact that there are more than three times more looked-after children in Newcastle than in Surrey. It takes account of the fact that Bexley and Barnsley have similar populations, but Bexley raises more than £37 million more in council tax each year than Barnsley does.

The Bill ends the equalisation that George Lansbury and his Labour councillors in Poplar fought for just after the first world war. With council tax frozen or capped by referendums, the increased funding for increased spending and increased need must be met through increased business rates. The problem for the future is that the opportunities to grow the business rate are unevenly spread across the country, as is the business base. Kensington and Chelsea has a smaller population than Barnsley or Rotherham, yet it raises more than three and a half times the business rates of Rotherham and more than five times the rates that we raise in Barnsley.

The local government finance system is, as the Secretary of State said, complex and incomprehensible. The Bill will make it more complex and less comprehensible. It has, in my view, four big flaws. First, from year one the gap between affluent and less affluent areas will grow. The affluent areas with the higher business tax base start with an advantage that will just get bigger and the system of tariffs and top-ups will reduce but not remove those disparities as otherwise they would remove the incentives to grow, too.

Secondly, the idea that the legislation will localise business rates is largely an illusion. As my right hon. Friend the Member for Leeds Central (Hilary Benn), the shadow Secretary of State, said so clearly, some of the most critical decisions about how the system will be designed and operated will be made by central Government and not local government.

Thirdly, local government's certainty about funding for the future and therefore long-term planning will be badly undermined by the new system because business rates income is volatile and hard to predict. The Secretary of State's decisions about the design of the system will, it seems to me, inevitably have to be made annually, undermining the ability of local government to plan for the long term.

Fourthly, business growth is not the same as business rates growth, so the incentives to councils to see and support the economic growth of their area might prove to be weak or even perverse under the new system. Business rates are levied on buildings—the bigger the better—so supermarkets, gyms and warehouses are good, but small starter units with high-tech design and manufacturing are bad.

Finally, the changes this Bill makes to council tax benefit are a hospital pass to local government. Many people in Rotherham benefit from that support by about £15 a week. That will be cut by £2 million in 15 months' time, and although pensioners will be protected, other groups will find the cut is even bigger. This is a bad Bill and we must oppose it.

8.20 pm

George Hollingbery (Meon Valley) (Con): I should like to draw Members' attention to my entry in the Register of Members' Financial Interests.

It is a challenge to follow the two very thoughtful speeches of the right hon. Member for Wentworth and Dearne (John Healey) and my hon. Friend the Member for Ipswich (Ben Gummer). The historical context they gave is very useful, but I cannot help but be persuaded that localising business rate collection and incentivising local councils to grow their own areas in terms of the economy has to be the right thing to do. I met the cabinet of Havant borough council, which is not a wealthy council by any manner of means, on Friday to explain the implications of the Bill, and those members were genuinely excited by what they heard. They said, "That means we are going to have to rethink everything we do. No longer are we going to be pleading for funding—we are actually going to go out there and find it for ourselves." That is an exciting development.

I particularly welcome pooling. The Select Committee on Communities and Local Government, under the chairmanship of the hon. Member for Sheffield South East (Mr Betts), went to Manchester. There is a huge appetite in that part of the world—and, I suspect, in many other large metropolitan areas—to see private, local and locally generated ways of creating regeneration. Given the lack of central funds at the moment to promote more regeneration, the pooling of business rates, of ideas, of enterprise zones and of TIFs across a whole local area creates a genuine way forward. That is another reason why I am excited by the proposals.

On TIFs, there was some disagreement among those who replied to the consultation about options 1 and 2 and about enterprise zone issues. Should we have small limited schemes that are not subject to the tariff and top-ups regime or should there be ring-fencing to ensure that longer-term schemes can be put together? The Government listened and both those options are available. Clearly, option 2 could create a drain on the overall business rates pool and might therefore have to be limited. I think we all understand how that works. Likewise, we need to be able to have a more flexible, shorter-term version of the TIF pool to ensure that smaller local councils, perhaps in better financed areas, can also get shorter-term projects enabled. That is why I welcome the flexibility being built in.

On empty properties and second homes, it is right that people who own second homes should pay full council tax. After all, they rely on the value of their houses being backed up by an enabled local council that allows rubbish to be taken away and planning decisions to be made. It therefore seems quite proper that they should be asked to make a full contribution to the rateable value of their houses. I also strongly welcome the potential to charge those who have long-term empty properties in their possession a premium on council tax. Given that there are 400,000 long-term empty homes in Britain, the Government must do everything they possibly can to get those houses back into occupation.

I want to spend a little more time on the issue of council tax benefit localisation, with which I have some issues in principle. I was on the Welfare Reform Bill Committee and it seemed unusual to me to single out one benefit of all the benefits being put into universal credit and put it to one side. That made no great intellectual sense to me. I understand that there is a perfectly reasonable argument about localisation and about local councils being able to create local schemes for their local areas to reflect local circumstances, but this issue added another layer of complexity and it came out of a Bill that was meant to create simplicity. For me, the argument did not stack up. However, we are where we are.

I have some questions for the Minister to answer later today or in Committee. Is there any reason why we should not have an official pooling of council tax benefit schemes across my area in Hampshire, for example? Why cannot all district councils in an area get together to create some sort of agreed pool? That would allow some flexibility in under-collection and over-collection and would stop some of the perverse incentives that there might be in the scheme that would push people, particularly those in social housing and where there is a joint housing register, to move into one of the areas on that register. There is a potential problem with this issue and a county-wide scheme in two-tier authorities might be very useful.

I noticed in the response to the consultation that in chapter 5 there had been some discussion about parishes. If there is to be a grant to local government to be distributed as a council tax discount, what will be the

[George Hollingbery]

status of parish council precepts given that they are not part of the same authority? Will there be a legal system by which parish councils can be compensated for the lack of collection of council tax? I am not sure that has been wholly resolved. In my part of the world, certainly, this issue will be very important.

Finally, discussions on clause 107 of the Welfare Reform Bill suggested that the single fraud investigation service would deal with all benefit investigations. That is on the record in the *Hansard* of the Bill Committee's proceedings. However, chapter 8 of the consultation document and response suggests that this will now be the province of local councils. I would welcome some clarification on that.

8.25 pm

Alison Seabeck (Plymouth, Moor View) (Lab): I draw the House's attention to my indirect interests in the Register of Members' Financial Interests, as previously stated in other debates.

The Bill covers a number of areas including the non-domestic rating of council tax with specific reference to changes to council tax benefit and additional taxation for empty homes. I should have liked to spend more time on the empty homes proposal but unfortunately time does not allow that. I will simply say that although sticks are welcome, the clauses on this issue are poorly drafted and will leave opportunities for smart operators to find their way around the additional charge. For example, the allowance that the property must be substantially unfurnished could leave considerable room for argument.

On the section relating to the localisation of council tax benefit, the Government might package this as being about passing down powers to councils, but the reality, as my right hon. Friend the Member for Wentworth and Dearne (John Healey) said, is that it is a hospital pass to many communities and that the Secretary of State would continue to pull many of the strings. Cuts will come—there is no doubt about that—because if the pensioner element is effectively protected then, as we have heard, the 10% reduction in income will have to be shared out among the remaining groups.

In Plymouth, about 25,000 people are currently in receipt of council tax benefit. Of those, a significant number will have a child dependant, will be single people in low-paid work or will be disabled, but there is no mention in the Bill of protection for people with disabilities. This reform is dressed up as providing discretion and choice, but all it will do is localise cuts and target pain on those who are least able to cope. Unless Plymouth city council can find the money from elsewhere in its budget to make up the lost 10%, it will have no choice but to cut the amount paid to people or to find cuts from other services that have already taken quite a hit and that will see further reductions in the coming years of the current comprehensive spending review.

Plymouth has also seen an increase of over 36% in the last five years in the take-up of council tax benefit, as compared with an England average of 25%. Answers given to Members of the House who have asked parliamentary questions reveal significant disparities in take-up in different areas, and I am not clear from the documents that I have seen that the Government have taken that into consideration. What protection would be offered if in Plymouth, hypothetically, the dockyard failed and the naval base closed, after the scheme had been established by the individual authority? How would it cope with the additional council tax benefit burden and the loss of business rates—a double whammy, and at present with no specified safety net? We have talked generally about a safety net; the detail is not there.

Where will the baseline for these changes be set? Is it possible that it could have perverse outcomes if set in the wrong place? What assessment have the Government made of the potential cut-off points, and are those public? Can the Minister answer the SIGOMA queries that we have heard in the debate? This is complex territory and it is not an area where things should be rushed through, unless we want to see further delays to this legislation as it starts to unravel under scrutiny. I am sure the other place will take a close interest in that.

On business rates, does the Minister not accept that we could see a postcode lottery on a grand scale, where services vary markedly from one authority to another, which could threaten the very ability of some councils in areas of low economic growth to deliver necessary services? That, of course, leads to a downward spiral in those areas, which certainly would not be attractive to inward investment.

What is the role of the local enterprise partnerships in all this? None of that is clear, particularly in relation to pooling, as we have heard. Will the pooling arrangements be allowed to cut across LEP boundaries, and if so, how and where does the risk lie? They will certainly have an interest in that. The hon. Member for Ipswich (Ben Gummer) talked about councils feeling the fire at their feet, but does he understand what will happen if one of the other Government Departments does not do its job? Let us take transport for example and look at the far south-west—how will those local authorities be able to invest in new roads, new rails, new airports? They simply cannot do it. It is unfair. The Bill is not about local choice; it is about local cuts.

8.29 pm

Iain Stewart (Milton Keynes South) (Con): I shall focus my comments on the business rate proposals, and I should like to share with the House the example of my local authority, Milton Keynes council, to show how the Bill will benefit growth and help deliver better infrastructure in the local area.

At present, Milton Keynes loses out pretty badly under the current system. According to figures that I got from the Library this morning, in the current financial year businesses in Milton Keynes are due to contribute £132.5 million in business rates, yet Milton Keynes authority will get back about half of that—just under £70 million. Opposition Members may think that Milton Keynes is a very affluent place, part of the golden south-east, but there is fairly significant deprivation and very often we lose out in our share of the funding formula, be it for local authorities or for the health service. What we want is our fair share. I quite accept the principle of fiscal sharing of revenues across a country; any western country has that. The more affluent areas will contribute more to help those that are less so. I am not saying that we should move away from that principle, but the history of Milton Keynes shows that we have not had our fair share over the years, and I very much welcome the proposals that will give us that fair share.

Milton Keynes is a fast-growing area; it has developed enormously in recent decades, but I do not believe that in terms of business growth we have realised our full potential. Certainly there has been huge housing growth in recent years, but that has not necessarily been underpinned by the necessary business growth and the necessary infrastructure to support those new houses. The measures in the Bill, coupled with those that have been introduced by the Localism Act 2011, will make us more masters of our own destiny, and I think in my local area we will seize that opportunity, and help develop Milton Keynes and grow it into what we want it to be.

The measures on business rates are warmly welcomed by the local business community. This morning I was in contact with Colin Fox, the new chief executive of the local chambers of commerce. He endorsed the view that local businesses very much support them, and that they want business to be a genuine partner of the local authority in boosting growth and developing the infrastructure that underpins that business growth in the future. I believe that, whatever mechanism the local authority has to work with business, that should be decided by the local authority. There is potential for a very good partnership to develop our local place.

I finish by giving just one example of how I believe the Bill's measures can work, particularly the power that it will give to borrow against future revenue streams, which is not currently permitted. Just before Christmas, the Chancellor announced the building of the east-west railway line, which will go through my constituency—a very welcome announcement. One addition to that which is not currently part of the scheme but which some people locally have promoted is the building of a rail freight terminal in Milton Keynes to encourage more transport of freight by rail rather than road. If the local authority could borrow against its projected business rate revenue, it would help develop that project and enhance the scope of the scheme that is already in place and is already worth while. I offer that up as one example of how the measures could really drive the local economic growth that we all want to see, and I am very happy heartily to endorse the Bill.

8.34 pm

Tristram Hunt (Stoke-on-Trent Central) (Lab): It is a great pleasure to follow the hon. Member for Milton Keynes South (Iain Stewart).

I am instinctively in favour of some of the reforms that we are discussing. Undoing the damage which the previous Tory Government did to local authorities always seems to me a good idea. It would have been nice to hear a slightly longer and deeper apology about John Major's decision to nationalise the business rates, but we cannot have everything.

The reason why I am instinctively in favour of the thinking behind the Bill is that the past 100 years have witnessed, as the hon. Member for Ipswich (Ben Gummer) suggested, a relentless emasculation of local government power and autonomy. As this place has found less and less to do with questions of war, empire and global affairs, it has concentrated on and interfered relentlessly with the powers of local government, most of all in the field of local government financing.

Perhaps you will allow a little history, Mr Deputy Speaker. The great age of local government—of municipal socialism, of gas and water socialism—was the period 1870 to 1914. This was when our great urban centres were civilised: Birmingham, Glasgow, Manchester, Stoke-on-Trent and even London under the London county council. This was the age of museums and parks, town halls and swimming pools, schools and hospitals. There was a widespread belief in the virtue of local government and its capacity to deliver real change for the life chances of the poorest in Britain. The London county councillor and dockers leader John Burns described "a revived municipal ideal", the goal of which was

> "to do for all what private enterprise does for a few. It is the conscious ordering of the city, through ownership of public services, of its own comfort, happiness, and destiny"—

in fact, pretty much everything that this Government are opposed to.

But of course this cost money. There was extensive borrowing by local authorities—I welcome provisions to allow for extra borrowing by local authorities—and there was expenditure. In 1905, local authorities accounted for more than 50% of total Government expenditure, a figure which has come down to around 18% today, a clear indication of the decline of local authority power. We are all guilty in that process—inter-war demands for national efficiency, post-war demands for centralisation, demands for rationalisation in the 1970s, and privatisations in the 1980s.

At the heart of this story is finance. The capacity of local authorities to raise funds and be responsible for their allocation has been crippled. Today far too many local authorities seem overly dependent on car parking charges, for example, rather than any other income stream. This is in stark contrast to the situation in America and on the European continent. The lack of a plural funding base has undermined our councils' ability to deliver for local communities, and made them overly dependent on the decisions of Whitehall, rather than town hall. So councils need the power which comes from financial autonomy, all of which makes the Bill so disappointing.

On the issue of liberty and equity, on the freedom of councils to act, as set against the broader need for social justice across the country, the Secretary of State's Bill fails. The Government's system of tariffs and top-ups will see a wholly unacceptable loss of income for those local authorities with less business rate income than their peers. This is, Mr Deputy Speaker, as you will know, a north-south issue. We have spoken of Knowsley *v.* Basingstoke, of Bexley *v.* Barnsley. On the Government's plans—for all their talk of recouping disproportionate incomes—there will be a massive boon for high-performing cities in the south-east and marked loss of incomes for struggling cities in the north.

What is more, the reset mechanism and support funds do not properly account for the loss of a major employer—a dock, for example—and as we have heard, there are perverse incentives in the business rate model that encourage services over manufacturing when we are meant to be rebalancing the British economy, and large square-footage over intensive employment.

It is even unclear from the Government's own ambitions how these plans will stimulate growth when the Treasury top-slice takes away the incentive. It is uncertain, it is unpredictable and it is fiendishly complex. This will not benefit Stoke-on-Trent, which we all want to see benefit from Government legislation. In fact, it will be hard hit

[Tristram Hunt]

in the ensuing years, which is why I urge Ministers to think again about the Bill. We believe in some of its propositions, but I will be voting against it.

8.39 pm

Mr Marcus Jones (Nuneaton) (Con): I give my broad support to the Bill and its Second Reading this evening. It will enable the start of the journey away from central control of council funding, and will give councils more autonomy both to raise local funding and to set spending on local community priorities, rather than the perceived priorities of Whitehall. Pursuing the latter over a number of years has created a perverse system whereby councils have constantly been looking to the next Whitehall initiative and the next Government grant. That system has let down some of our most deprived communities, as despite external and formula grants increasing in real terms for more than a decade from 1998 onwards, the gap between rich and poor actually widened during that period.

In the scramble to get funding into local authorities, those prescriptive grants would quite often not match the priorities of an area or, if they did, they would often overlap with the current authority provision because the grant criteria could not be tailored to local need. Services could often not be integrated, leading to very poor value for money and a continuous bolt-on of services, which councils then had to make very difficult decisions on, in terms of deciding whether to retain them or not, once the grant funding from Government expired. Pursuing the former and moving away from a central grants system will allow councils to make clearer long-term decisions based on the priorities of the communities that they serve.

I wholeheartedly welcome the mechanisms in place in the Bill to ensure that no council is worse off at the outset of the changes. That, together with a system of top-ups and tariffs, will ensure fairness. I also welcome the concept of the retention of future local business rates. I believe that that will make councils, particularly planning authorities, think far more carefully about creating a good mixture of commercial development and housing in their local plans. Many of my constituents feel that any plans for new housing must be matched by the creation of new employment to ensure that communities are sustainable and cohesive, and not just commuter belts for the larger conurbations, with poorly thought out, over-intensive housing developments.

It is also vital that the Government address the problem of empty dwellings, which the Bill does. As a Conservative I am a firm believer in a property-owning democracy and therefore the right of an individual to use a property in any way they wish within the rule of law, but I am acutely aware of the situation that we now face with huge numbers of long-term vacant properties—nearly 280,000 in England last year alone—and the councils covering my constituency have 1,100 such properties. With such a housing shortage, and with the proposal of new housing developments across the country, it is morally right that we try to correct the failure of the market in this case and get those long-term empty properties back into use. Therefore I welcome the Government's move to allow councils to charge additional council tax where a property has been vacant for more than two years. That, together with the incentive to get existing properties back into use through the new homes bonus, will have a hugely positive effect on getting our properties back into use.

There are many more matters that I would like to speak about in some depth, but I will not do so on this occasion. I welcome the fact that the Bill will come before a Committee of the whole House rather than a Bill Committee, which will give Back-Bench Members an opportunity to raise their concerns about some of the minutiae of the Bill at that point.

The Bill aligns with the coalition agenda to move communities from a culture of dependency to one of greater-self reliance, but provides the safety net to bridge the gap where communities have the problems that make it difficult to achieve that self-reliance. I will therefore support the Bill this evening.

8.43 pm

Heidi Alexander (Lewisham East) (Lab): Given the time constraints, I will focus my remarks on part 1 of the Bill, which deals with local business rate retention. I have concerns about the localisation of council tax benefit, but I will save those for another day.

Earlier today we had a lecture from the Secretary of State on how councils need to be financially incentivised to encourage business growth and start-ups. We were told that the current arrangements, whereby central Government redistribute national business rate income to councils based on local need, is a complex and opaque system that does little to encourage an authority to foster economic growth. But the reality is that the partial business rate retention scheme that the Bill proposes will simply replace one complex system with another. It will not boost economic growth as the Minister claims. It is the wrong policy at the wrong time.

The idea that a council's ability to fund child protection or elderly care should be determined by the number of businesses it boasts is not right. The idea that councils will act to improve their area's economic fortunes only if they stand to gain some direct benefit for their coffers is insulting, and the idea that this policy is the correct one at a time when businesses are paying off debt rather than investing in new facilities goes to show how desperate the Government are. I am not suggesting that councils do not have a role to play in local economic development—far from it—but I am realistic enough to know that the actions of an individual council will only ever be one part of the jigsaw.

Let us take Lewisham as an example. Lewisham has one of the smallest business bases in London, as 70% of its working population leave the borough every day to go to work. The police station in the heart of the town centre is the borough's ninth largest business rate payer, the other large rate payers being supermarkets and schools. It is a densely populated residential borough. There are pockets of prosperity, but there is also high unemployment. Before becoming an MP I was Lewisham council's cabinet member for regeneration. Despite what Government Ministers might think, I did not sit around twiddling my thumbs and thinking that if only we could retain growth in future business rates we would do X, Y or Z to stimulate development. Funnily enough, I remember doing quite a lot to try to grow the local economy, not because it would mean money for Lewisham council, but because it was the right thing to do for Lewisham people.

A huge amount has been done to try to stimulate local economic development, but Lewisham's business rate growth over the past few years has been modest, from a small base. The biggest business rate payer is a media company based in offices above Lewisham's bowling alley. It is paying £2.8 million in business rates this year, an increase of over £2.7 million from the £80,000 it paid in 2008. Why the sudden growth? What did Lewisham council do to encourage that growth? The honest answer is very little. The business did not undergo development, expand its occupation or intensify the use of its site. Basically, the company had to pay business rates on the fibre-optic cables it had laid across London. Its offices in Lewisham are the biggest it has in London, so Lewisham collects the £2.8 million. What does that experience tell me? It exemplifies how an increase in business rate income may have very little to do with the actions of the local authority and that, although economic growth might be encouraged by a council, unless a range of other positive factors coalesce, businesses may not grow and start-ups may not emerge.

Old Street's silicon roundabout was always more likely to develop in Old street than, say, Catford. Why? Old Street is on the tube map and Catford is not. Extend the Bakerloo line to Lewisham and on to Catford and we might have more of a chance. Even if we regenerate Catford town centre, would we be able to woo those high-tech start-ups from Shoreditch? I suspect not, because businesses like to locate next to other similar businesses—the agglomeration economies we all learnt about in our geography lessons—and success breeds success.

I believe that councils have differing potential to attract and grow business in their areas, and I do not understand why that gives local authorities the right to grow their resources in order to be able to provide extra services to their local population. The factors that determine growth in an area's business rate income will sometimes have little to do with what a council is or is not doing. It will never bear any relation to the number of elderly people who require care packages or the number of children who require child protection plans. Linking the two, albeit through a convoluted system with all manner of supposed checks and balances built in, does not seem right to me. I cannot help but think that this is another case of the Government trying to pass the buck and shift the blame for their own failings. Councils are not the reason why the economy is flatlining, but they might be part of the solution. The ultimate responsibility lies with the Government.

8.48 pm

Damian Collins (Folkestone and Hythe) (Con): In the short time available I wish to focus my remarks on business rates and tax increment financing. I will pick up on an issue that has been raised throughout the debate, particularly by Opposition Members, which is that the partial retention of business rates is unbelievably complicated and that it is somehow a centralising step; it is anything but that. The fundamental principle is incredibly simple: it is about creating a mechanism whereby there is a greater degree of common cause between business growth in the business community and the decisions a local authority might take.

I have heard no one in the debate support a totally localised system, with councils keeping every single penny of business rates. That would exacerbate the problems that Opposition Members have spoken about, which is why that is not what is set out in the Bill. A totally nationalised system would be totally centralised, taking business rates completely away from local authorities. What is proposed instead is a very simple and powerful idea: giving local authorities, in a fair way, the power to retain some of the business rates they collect, creating a much more physical link between them and the local business community. When we talk to constituents, we often find that they think that that happens anyway. Some are surprised to learn that business rates are simply passed up the chain, and that the link between the local business community and the local authority is not there to the extent that it used to be.

That link will help councils to develop proactive strategies on regeneration beyond those they have at the moment, and to develop better relationships with their major employers, so that they can work together to see how they can foster business growth. Although these are difficult economic times, some businesses are looking to expand. I see them in my local authority, and the council is having discussions with them on what it can do. The business community wants a greater sense of urgency on the part of local authorities—even local authorities that have a good relationship with their businesses—in planning decisions and consultations, and in working together and saying, "What can we do to help you to grow your business?"

I agree with the hon. Member for Lewisham East (Heidi Alexander) that it is difficult to see how growth can be stimulated in local authorities where there are pockets of deprivation and low business activity. Such problems have existed in Folkestone harbour and the east end of Folkestone since the departure of the channel ferry business and the closure of the traditional port. There, a private investor and philanthropist has invested to create a new business community based around the arts and creative industries. I wholeheartedly support that scheme, which has been driven by big private investment, but the challenge is to ask what the local authority can do alongside that to help drive the process forward, rather than simply taking planning decisions and having a friendly relationship. Can the local authority look to invest alongside that development, to create a new raison d'être for that local economy that will attract other businesses?

In that respect, the tax increment financing powers are interesting and important, because they create a mechanism whereby local authorities can borrow to invest to improve business infrastructure to attract business. We know that in areas of market failure, market forces on their own are not enough to drive regeneration. There are fundamental reasons why the business base in that area has collapsed, and it needs special help and support. The tax increment financing powers in the Bill can deliver that, and the incentives for local authorities to grow their business rates. They will know that doing so gives them more money to spend on local resources. The powers will also give local authorities an argument to make to local people when they are considering planning applications for business expansion. They can say, "The community gets something back from the local authority's proactive relationship with the local business community and from seeing business rates grow."

Tax increment finance powers enable local authorities to behave in the way that a major commercial landlord of a large estate would behave. In most parts of the

[Damian Collins]

country, town centres are not dominated by a single landlord, but we find that situation in the centre of London. Such a commercial landlord will invest heavily in improving the quality of the business stock and business infrastructure, in the knowledge that they will gain when the higher rents come in.

Some landlords that operate in central London, such as the Grosvenor estate, which operates a mixed commercial and residential portfolio, invest in commercial areas and give discounted rates to make the community a nicer place to live, knowing that they can recoup the discount through the residential income they get from rent on their properties. They take a view on investing in their estate and getting the money back. In areas of the country where no single dominant landlord can do that, taking such a view is a role for local authorities. With the new relationship with the business rates and the powers of tax increment financing, we give local authorities a way to develop a local plan for regeneration that will be better and more targeted than any Government Department could ever devise for that community.

8.53 pm

Bill Esterson (Sefton Central) (Lab): I shall speak about the business rates proposals, the many gaps in the Bill and the unanswered questions. The councils that have faced the biggest cuts will lose most from the proposed changes to business rates. The impact of the local government cuts on businesses will take many years to work their way through, because there will be less money in the economy where the cuts in the public sector are greatest. In Sefton the cuts are already affecting businesses that rely for much of their trade on the public sector. The economy in Sefton, Liverpool and across the north-west will face greater pressures than the areas where the cuts have been far smaller.

Steve Rotheram (Liverpool, Walton) (Lab): Would my hon. Friend be surprised to hear that when I asked the Secretary of State, in this very House on 18 July, whether he would

"guarantee that Liverpool will not see a real-terms cut in its funding"

in the first two years following the changes, he said:

"Yes, it is going to do better out of this system"?—[*Official Report*, 18 July 2011; Vol. 531, c. 670.]

Bill Esterson: I am grateful to my hon. Friend, who is absolutely right. The Secretary of State made similar remarks in his speech today, and I will explain why he is completely wrong.

The reality is that even if the starting point for business rate retention is after the main element of the cuts has gone through, some businesses will struggle to survive in areas where the cuts have been greatest. Councils in those areas will therefore experience falling business rates, with a further impact on the services that can be provided by the councils that have faced the biggest cuts. Areas such as Sefton and Liverpool have some of the most deprived communities in the country. The scale of the Government's cuts has already hit those communities harder than the more prosperous parts of the country, and that includes the loss of services to some of the most vulnerable.

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): Does the hon. Gentleman recognise that in the past five years Sefton has had an annual increase in its business rate of 6.1%, and Liverpool has had an annual increase of 8.2%?

Bill Esterson: I am glad the Minister made that comment, because it gives me the chance to make the point that that was before the massive cuts in Sefton, Liverpool and other metropolitan boroughs made it unlikely that such developments will continue. It is very likely that we will see a reduction in business growth as a result of the impact on the economy.

Andrew Stunell: It's the same old record.

Bill Esterson: The Minister says it is the same old record—but it is the same old Tories doing the same old things to the most deprived communities.

The Government's proposals in the Bill are unfair and hit the poorest communities hardest. They also ignore the reality that, as my hon. Friend the Member for Lewisham East (Heidi Alexander) said, councils have a limited role in promoting growth. Only authorities that grow business rates above the level of the Government's national assumption will benefit, while the others will lose, so the gap between the most prosperous and the less well-off will widen.

The Secretary of State retains many of the powers relating to business rates. The centralising tendency is very much in evidence, and the more the Bill is scrutinised, the clearer it becomes that localism will be dished out in very small doses, at the bidding of the Secretary of State. The Treasury is to take a cut of any growth in business rates. That undermines the stated aim of incentivising local councils, and it risks limiting the likely take-up by the vast majority of councils—a point being made by many local authority leaders.

I am aware of the many concerns about the plans for the local retention of business rates. Many questions still need to be answered. The Government plan to reward councils that exceed national growth expectations, so they will, by definition, artificially punish areas that have low growth, such as rural areas or areas where major industries have recently shut down.

The measures will also penalise areas such as Sefton, where there is a shortage of available industrial land, and where there are limits on the potential for economic development. Sefton is in the process of putting together its core strategy, and it is struggling to find the development land needed to benefit from the Secretary of State's proposals. I hope he will take on board the very real concerns not only of council leaders, but of businesses that face the problem of being unable to create growth because they do not have land available.

Given the Government's record in applying the current cuts unfairly, there is no confidence that they will not do the same with business rates localisation. Incentives for local councils to generate economic activity are one thing, but a system that undermines local authorities serving deprived communities and boosts those in least need is not the way forward. The Secretary of State should think again.

8.58 pm

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): At this stage of the debate we always try not to double up on what others have said, but the hon. Member for Sefton Central (Bill Esterson) said it would be fine if the present local government finance scheme had actually dealt with the differences between authorities. Many Opposition Members have talked about perverse incentives and about a lot of history, but let me explain some history.

I spent 17 years as a Conservative member of Hackney council, which the shadow Secretary of State referred to as one of Britain's poorest boroughs. When I joined the council as a Conservative—as Members can imagine, there were not many Conservatives on Hackney council—it used to proclaim itself Britain's poorest borough for a reason. There was almost a perverse incentive for it to do so. I am not saying that Labour councillors did not want to see the council and its tenants better off, but it was in their interests, given the funding regime, to exaggerate how badly off Hackney was. It meant that they could get more from the rate support grant.

That perverse incentive has continued. I shall give another example from those days and my early learning experiences in local government in the 1980s. I used to sit on the housing committee, and once while discussing housing benefits I made what I thought was a stirring speech on behalf of Hackney's tenants when the Labour party wanted to increase rents by 6.8%. I was complimented afterwards on the standard of my speech. Members might not believe it but I was a new young councillor then. But I was told, "Actually Eric, it doesn't matter. They're all on benefits so we can just put up the rents."

We are not saying—although I understand that the Opposition have tried to say it—that the change proposed by my right hon. Friend the Secretary of State is a massive revolution along the lines of the community charge, but, as other Government Members have said, it will mean that we can begin to provide councillors with a way of raising extra money by entering a bargaining system with business. The main thing that counts when encouraging business growth is a person's ability to put their own money on the table. At the moment, though, there is little in the system to give councillors that ability. I believe that these reforms are the first step along that road.

Members have mentioned the north-side divide. I represent a part of the north, and my district councils are looking forward to these reforms. For example, Lancaster council can now envisage finally being able to raise money off its own bat, go into partnership with local businesses and perhaps open that third bridge.

Mr Kevan Jones: Does the hon. Gentleman realise that his council will also have to take responsibility for council tax benefit, which will come with a 10% cut, so that although it could end up raising money locally it might have to use that to subsidise council tax benefits?

Eric Ollerenshaw: From what I hear from my councils, that is not the prospect that they are looking forward to. Lancaster council wants finally to build a third bridge, for which Lancaster has been waiting years. Wyre district council has been waiting years to open a railway line to Fleetwood, where a railway line currently exists, and by borrowing through some of these schemes it could open up new development plans to business. It is looking forward to being able to close the north-south divide.

My support for the reforms is based on the need to achieve growth. Like many Government and Opposition Members, week after week I meet businesses in the north-west, particularly in my constituency, that have the potential to grow but just want a little extra support. That might mean doing up the road on the industrial estate or providing a bit of extra shedding so that they can meet their orders. With these changes, councils will finally have an interest in encouraging that business. *[Interruption.]* Opposition Members might scoff, but as was pointed out, in particular by my hon. Friends the Members for Ipswich (Ben Gummer) and for Milton Keynes South (Iain Stewart), the problem is that local councils, for good or ill, have divorced themselves—or have been divorced by the system—from any real interest in encouraging and supporting economic growth.

The best councils have wanted to encourage growth. I take my hat off to those such as the hon. Member for Lewisham East (Heidi Alexander), whom I have met before in relation to this matter, for all the work that they have done to encourage that growth, but the fact is, as we all recognise, that some councils and council officers have seen little benefit in going out there to support and encourage business because it has not directly affected their income. These changes will at least start to address that situation.

I shall finish on a point that I have raised elsewhere. I think—I might be wrong—that under paragraph 37 of schedule 1 the Secretary of State could allow new types of enterprise zones. Why are we not encouraging university campuses to have their own enterprise zones? I know that that would cause problems with Treasury mandarins and their calculations, but we seem to have missed a trick, because we are talking about something that could be the very basis for creating and developing new businesses, albeit not on such a large scale. Once those businesses got that extra bit of employment, they would have to move off by definition, because of the nature of university campuses. That would mean getting the turnover that we want and would deal with the criticism of the old enterprise zones—that businesses moved in from other areas and stayed there.

9.5 pm

Mr Kevan Jones (North Durham) (Lab): I am pleased to follow the hon. Member for Lancaster and Fleetwood (Eric Ollerenshaw), who is living in cloud cuckoo land if he thinks that this Bill will suddenly drop pennies from heaven on to his constituency and the north of England, to regenerate his and other areas. What we have before us today is an extension of this Government's local government policy, which is about cutting local government finance, but giving the impression that the tough decisions that local councils are having to make are not the Government's responsibility, but the responsibility of those very councils. Yesterday, for example, the council in Doncaster cut wages by 4%. The Government are saying, "Well, it's your decision." They are giving councils the baby and letting them decide how they slice it up.

I take exception to what Government Members have said about how local government is somehow not interested in regeneration. I spent 10 years on Newcastle city council, serving my final years as chair of the economic

[Mr Kevan Jones]

development committee. It was a council that put a hell of a lot of effort into regenerating both inner-city Newcastle and surrounding areas. Likewise, Durham, my current county council, is making a tremendous effort, and has done for several years, to try to encourage business into County Durham, but it has been hamstrung. Some of the things that the Government have done recently, such as abolishing the RDAs, have made it virtually impossible for the council to spend nearly £140 million of European regional development fund money. It is sitting there, ready for development, but because of the constraints put on the council by this Government, no one can access the money.

The point about the proposals on business rates is that, yes, local government can have an impact on regeneration; but it is a damn sight harder in County Durham, even with the tremendous efforts of local business and the county council to secure inward investment, than it is in Canary Wharf or other prosperous parts of south-east England. We are not dealing with a level playing field from day one; indeed, local councils are not even the only driver for getting inward investment. It is far easier for people to make investment decisions down here—we only have to look at the investment and the number of cranes going up in the east end of London now, in a recession, in hard times. We can only dream of that kind of investment in parts of the north-east. Every single inward investment decision that has been taken for the north-east has been hard fought for.

The idea is that this small change will somehow make a real difference, but it will not. We will end up with a two-stage Britain, where this measure will be good news for local councils in the south-east of England—I accept that certain parts of the south-east of England are depressed and deprived—because, frankly, they will not have to work very hard to get inward investment and an increase in business rates, whereas that will not be the case in more deprived areas. Over time, we will clearly see a disparity, which will lead to a two-speed Britain, with things made even harder by this Government, who have abolished things such as the RDA in north-east England.

Steve Rotheram: Does my hon. Friend agree that all this is the continuation of a policy, which was tried out in the '80s by Thatcher and Howe, of managing the decline of northern cities, especially areas such as Liverpool?

Mr Jones: It is, exactly. Let us look at what this Government and this Secretary of State have done on local government. I take my hat off to him, because he is rewarding his friends and his councils in the Tory heartlands. The idea is that we can somehow just write off great cities such as Liverpool and Newcastle, or other north-east cities, as if it does not matter. Do the Government actually care? No, I do not think they do.

The Secretary of State said in response to my intervention that Durham would gain under the new proposal. I would like to see the figures showing how Durham will gain, because the county council has seen from its own figures—he is using 2011-12 as the baseline—that it will lose out. This is being rushed, and it will become clear, over time, that it is not the radical approach to local government reorganisation that some people suggest. It is in fact a way of ensuring that prosperous Conservative seats will benefit from the measures at the expense of some of the poorest communities in Britain.

I want to turn now to the scandalous situation relating to the localisation of council tax benefit. This measure comes with a 10% reduction from day one, and it will disproportionately affect constituencies such as mine, and more deprived areas with larger numbers of people in receipt of that benefit. Listening to the Secretary of State talking earlier, it sounded as though he thought that those people were the feckless poor. I must remind him that a lot of low-paid workers, who are working blooming hard every day of the week to keep a roof over their heads, rely on council tax benefit. Over a period of time, those people will get the impression that these decisions are nothing to do with the Secretary of State, and that it is the local council that decides how to divide the money up. This measure will have a disproportionate effect on those areas with a large number of people in receipt of council tax relief.

Mr Pickles: I am sure that the hon. Gentleman suggested only inadvertently that I was talking about the feckless poor and the like. May I respectfully remind him that I was quoting the Leader of the Opposition and the shadow Secretary of State for Work and Pensions? It is with them that he should take up this matter, not me. Do not put words into my mouth; those were their words.

Mr Jones: I was not putting words into the right hon. Gentleman's mouth, but I have to say that he is continuing the mistaken idea that every person in receipt of council tax relief is unemployed and useless. They are not; they are hard-working, low-paid families—*[Interruption.]*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Those on the Government Front Bench need to come to order. I think that the Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst (Robert Neill) is getting carried away.

Mr Jones: The proposals are going to affect many low-paid families in my constituency and elsewhere in the north in particular. The idea is to encourage people into work, but this will act as a disincentive to people, hard working though they might be.

Jim Shannon (Strangford) (DUP): Will the hon. Gentleman give way?

Mr Jones: Unfortunately I cannot, as I have very little time left.

Let us not be conned by the Secretary of State's strategy. In the name of localism, he is pushing decisions down to local government, but cutting grants at the same time. He will then try to say to local people, "It's nothing to do with me, guv. It's your local council that is doing this." That strategy was used by the Conservatives in Canada in the 1990s, and it is clear that this Government have learned from that play book and want to ensure that local people do not blame them but instead blame their local council, which will have been hamstrung by the grant cuts. It is about time that people saw through this bluster from the Secretary of State.

9.12 pm

Jackie Doyle-Price (Thurrock) (Con): I would like to give an enthusiastic welcome to the provisions in the Bill, unlike the previous speaker, the hon. Member for North Durham (Mr Jones). It is surely right to expect local authorities to support and nurture the business interests of their localities. I believe strongly that the provisions of the Bill will act as a powerful incentive to local authorities to consider what they can do to facilitate business and economic growth. It is also clear that, if localism is to have any meaning, we must re-establish the link between local authorities and their local business communities.

It is my view that the Bill will also make local government finance fairer, and I would like to illustrate that point with reference to my own local authority. The hon. Member for North Durham might be interested to note that my local authority is Labour-run, which might help to scotch the myth that it is only rich Tory boroughs that will benefit from the measures. Thurrock is a net contributor to the national pot, as we have a strong non-domestic rate base. At present, Thurrock collects some £98 million, but retains only £52.2 million.

That is not to say that Thurrock is a rich locality, however. As a borough, it does not score highly on indices of affluence; indeed, we have a number of communities that score highly on indices of social deprivation. The ward of West Thurrock and South Stifford has some communities that are in the lowest 10%, for example, yet it generates some £64.2 million in non-domestic rate income, which is more than is retained by the whole borough of Thurrock. That ward is clearly making a significant net contribution to the Exchequer through all kinds of taxes. It is therefore fair and appropriate that some of those companies' business rates should be retained for use in the local community, and I am pleased that the community will benefit from the growth in that area in the future.

We should note, however, that there are consequences for a local area that enjoys a vibrant business community. In Thurrock, for example, high volumes of heavy goods vehicle traffic and road congestion cause a nuisance for residents. If we expect local authorities to take a more balanced approach to leading and managing the interests of the whole of their localities, they must have a stake in the economic success of that locality. Without it, there is simply no incentive to think beyond short-term electoral advantage.

I am quite clear that the current system does not encourage local authorities to take a balanced view. It actively encourages local authorities to ignore the needs of the local business community. After all, they have no votes. At best, local authorities take local business for granted. At worst, they view it as an inconvenience. I have certainly received representations from the business community in my constituency to the effect that the local authority does not understand their needs and is unsympathetic to them. Businesses may not have votes, but their needs are important if we are to build strong and successful communities and a successful economy. This Bill will encourage local authorities to be more responsive to the business needs of their communities and, in so doing, they will promote growth and jobs—and who can argue with that?

The Bill proposes that the Government should be able to retain some of the funding where local authorities benefit from disproportionate growth. I am quite interested to hear more detail about this. As I have said, Thurrock is already a substantial net contributor in respect of business rates. That contribution looks set to increase. We have massive inward investments by Dubai Ports; the port of Tilbury is expanding after an already successful 125 years; and, of course, the Lakeside shopping centre is building on its existing success. I am therefore interested in how the Government intend to operate the levy when a local authority receives a disproportionate increase in revenue, and in how to make sure that this is handled fairly. In particular, I remind Ministers that in supporting business growth, there are consequences for the locality. If we are to encourage local authorities to use tax increment financing and borrowing against their future returns, they need to be clear about just how much they will get from the expansion.

In finalising the provisions for the levy, I hope that Ministers will bear in mind the strong principle that local authorities must receive a significant stake in return for encouraging additional investment. Ultimately, we need to make it easier for contributing authorities to contribute even more to the Exchequer through business growth and, as my right hon. Friend the Secretary of State said in his opening remarks, to make the pot of non-domestic rates even bigger.

9.17 pm

Alex Cunningham (Stockton North) (Lab): With about 186,000 people and two MPs, the Stockton borough is one of the smallest unitary authorities in the country. It is also one of the best—it was recently council of the year, and for several years in a row, it has been in the top six authorities for its management of resources.

For all its small size and success in managing resources, some 500 council jobs have gone since the coalition Government came to power. Still more will doubtless go as the attack on local government and the services it provides continues with this Bill. The lost jobs are adding hugely to increasing unemployment in an area where the jobless rate is already much higher than at any time under the Thatcher and Major Governments when areas such as Teesside and the wider north-east England economy were left on their knees.

Now we have a grand statement from the Government: "Transparency, economic growth, flexibility, making communities masters of their own economic destinies"—all this is promised by the Local Government Finance Bill. These are fancy words that we know, and the Government must know, are an attempt simply to be upbeat in the face of a dire and failing economic policy that is in danger of driving our country back into recession. The jobs lost in my borough are reflected many times over across the country, and the charging white horse of the reform of business rates will not matter a jot—well, not for the worst hit areas in the economy. The reverse will be the case.

What Government Members fail to acknowledge is that local authorities cannot all be equally alluring to business—however hard they try. Business taxation revenue varies hugely from place to place. In 2010-11, Westminster collected 33 times more than my neighbouring borough of Middlesbrough. The changes will widen the gap between authorities capable of promoting growth—mainly in the south—and those where growth is slow or non-existent.

[Alex Cunningham]

Far from there being, to quote the exact words of the Secretary of State,

"no motivation for councils to support local firms or create new jobs",

local authorities have embarked on economic development in their area for countless years on the basis that this will attract jobs and so benefit their area. It is the right thing for local authorities to do.

I have been disgusted this evening by the denigration of local authorities, their members and their officers. That the Secretary of State could make such an insulting statement shows how little he understands, despite his long service in local government, the way in which it works. The idea that there could be some overnight entrepreneurial revolution is sheer fantasy.

I am particularly shocked that Ministers should believe that the 10% cut in council tax benefit will somehow magically reduce the number of people who need it. In fact, it will be squeezed at precisely the point at which there is the most need for help among low-income households. Pensioners and vulnerable households may be protected from the cuts, but that means that the whole of the 10% saving that local authorities must make will fall on the unprotected group that consists mainly of the working poor.

Jim Shannon: Will not the 10% reduction also mean more poverty and homelessness? How will that affect the hon. Gentleman's community?

Alex Cunningham: I have no doubt that communities such as mine, and perhaps the hon. Gentleman's, will be affected. I believe that we will see more poverty as people try to cope with much lower incomes.

In many instances, the gains that the Government suggest will be made by the working poor as a result of the £1,000 increase in the personal allowance for income tax will be wiped out by the reduction in council tax benefit. The theoretical 10% reduction will equate to a loss of £1.7 million for the Stockton authority area, £1.2 million of it in my constituency. Given the exclusion of pensioners from the change, those affected are likely to be hit by a 20% reduction, which will contribute to a further increase in poverty. The Government's proposals merely transfer one of the national costs of rising unemployment to councils and local taxpayers, creating a serious risk that every resident will face further cuts in services that are already under threat.

I do not often find myself sharing many opinions with Government Members, but I simply could not disagree with the Under-Secretary of State for Communities and Local Government, the hon. Member for Bromley and Chislehurst (Robert Neill), when he said:

"Those in greatest need ultimately bear the burden of paying off the debt".—[*Official Report*, 10 June 2010; Vol. 511, c. 450.]

As it is, the Bill tees up the poorest to bear the greatest burden. It neuters local authorities other than those in the most affluent areas, preventing their development, and it will lead to further job losses throughout the country, with no consolation for the nation as a whole. I will oppose the Bill tonight.

9.22 pm

Bob Blackman (Harrow East) (Con): I believe that the first three years of the coalition Government will be remembered for three things: constitutional reform, dealing with the economic mess bequeathed by the Labour party, and localism. The Localism Act 2011 gave local authorities, and also local people, power to determine what happens to them. However, we have a hideously fiendish system of local government finance to deal with the money that is spent on supplying services, and I am delighted that we are finally dealing with that.

I am not a stranger to the proposal that business rates should be retained by local authorities. I advanced it at the 1994 Conservative party conference in Bournemouth. Sadly I could not persuade the Conservative Government of the day to implement it, but I am delighted that we are taking the first steps towards ensuring that business rates raised locally are retained locally, because that is an ideal way of providing incentives for local decision-making.

Of course, retaining business rates at local level will require a complicated system, from which there will be gainers and losers. Let me give two examples relating to a local authority of which I was a member for some 24 years. When Wembley stadium was demolished and taken out of the business rate pool, £1 million a year was effectively taken out of the income from business rates. That could have a disproportionate effect. Had the new system been operating at the time, the local authority would have lost the money for five years—some £5 million of income. Therefore, if an employer goes out of business there must be some means of compensating the local authority to address any fall in income. The provision encouraging local authorities to promote business in their communities is important.

There has also been an issue in the suburbs. The last Labour Government encouraged—almost promoted—businesses closing down and sites being turned over to housing. As a result, in the suburbs business rate income has dropped, and it continues to fall. We must take account of that as we encourage local authorities to promote business in their areas.

Local authorities have almost done away with promoting economic development as a main means of operating. The Bill will transform that. Local authorities will need to become business-friendly and promote business and jobs in their local areas. That is clearly the right way to proceed.

Local authority finance has changed greatly. Housing benefit comprises almost one third of the money going through most local authorities' books. Rightly, that will be taken away. The administrative costs of housing benefit were outrageous. However, I have concerns about the implementation of the council tax benefit in such a brief time scale and the local impact of that. Almost everyone who is in receipt of housing benefit receives council tax benefit as well. Now that housing benefit will be administered through the Department for Work and Pensions, it makes sense for council tax benefit to be similarly administered. The situation currently proposed is bizarre, to put it mildly.

Turning to tax increment financing schemes, many local authorities have huge historical debts, which were incurred as a result of the development of housing 30 or 40 years ago. Are we going to allow local authorities

with such huge historical debts to borrow against future business rate income, and thereby incur yet further debt, in order to build more housing or undertake other projects within their local authority control? That would add hugely to their debt and to the amount of interest they are going to have to pay, and it will have a disproportionate effect on their total budgets. We must look at this, and make sure things are administered fairly and properly.

This Bill is a welcome step, but the devil is in the detail and I look forward to debating that as we take it through its various stages to becoming an Act.

9.28 pm

Sheila Gilmore (Edinburgh East) (Lab): I want to talk about council tax benefit. The hon. Member for Harrow East (Bob Blackman) is one of the few Government Members to have raised concerns. Another Government Member who raised concerns served with me on the Welfare Reform Bill Committee, where we discussed this issue extensively. He, too, expressed considerable doubts about the council tax benefit proposal, especially as another Government Department, the DWP, has a project for universalising benefits under one umbrella—which might not be as easy as it thinks. Why keep council tax out of that?

That is a very good question. One of the main reasons that the Government give for making such a huge change in welfare law in this country is to incentivise work and to make sure there are not the kind of perverse incentives that they think arise as a result of things such as different tapers on different benefits. There are, indeed, different tapers at present for tax benefits and housing benefit, but if we create a situation whereby everything apart from council tax goes into universal credit, we will immediately recreate an anomaly. That will have a work disincentive unless it is very carefully worked out. We must question why two major Departments do not seem to be talking to each other about that.

The 10% reduction is a substantial reduction in the money available to local authorities to provide assistance to people on low incomes who need help. It should not simply be seen as something quite minor. I thought, particularly having worked on the Welfare Reform Bill, that this was primarily about saving money, but having read a lot of the comments in the consultation about this Bill, I realise that it is part and parcel of the Government's view of local authorities: that they are not trying hard enough to get people into work. The Housing Minister said to the Select Committee on Communities and Local Government that the 10% reduction would encourage local authorities to make sure that business parks got off the ground and that people got into jobs—because of course, if people had jobs they would not then need council tax benefit. Actually, that is not true.

Andrew Gwynne (Denton and Reddish) (Lab): My hon. Friend is making a really interesting point about the perverse incentives that the Bill will introduce. Does she accept that in fact it will really clobber hard-working families who are struggling to make ends meet on low-paid work, and who rely on council tax relief to ensure that they can afford to work? In areas such as mine, it is those low-paid jobs that people will give up.

Sheila Gilmore: It is people in work who will suffer in particular. Of course, this localising Government are not prepared to leave even their own local authorities to decide how the new council tax benefit should be distributed, because they want to insist that pensioners be protected. That is all very worthy, but protecting pensioners creates a greater burden on other people. There has even been the somewhat vague suggestion that some other vulnerable groups will be protected. The definition is not quite clear, but if other people are to be protected—which may not be a bad thing—the burden on those who are in low-paid work will be increased even further.

This is the direct opposite of what the Government say they want to do in incentivising work, and I do not believe that making such a change will alter the way local authorities work. In fact, I do not think we need to do that. This Government are very good at tilting at windmills, and the windmills are creations in their own head. We have heard about one from various speakers today, and it runs like a thread through the consultation: the suggestion that local government is not interested in creating jobs or encouraging development and industry. I do not recognise that feature of local government. Indeed, during my 16 years as a councillor, we were more often accused of favouring business over local people at various times. We created a large office park development in the city, which would not have happened had the local authority not put together the land assembly and the infrastructure and encouraged that to happen. That happened without having our local business rates in our own hands.

I simply do not recognise this false stereotype. It shows that a Government who say they believe in localism actually have a very poor attitude to local government and those who serve it. This Bill will be unhelpful in a lot of ways, not least because it will make the working relationship between Government and local government worse, not better. There is no respect in it for the very hard work that local authorities are putting in. We should not be perpetuating such a factless myth when we are trying to encourage localism.

It is not too late. One Government Member suggested that it is somehow too late to deal with the council tax benefit, but even the Welfare Reform Bill has not yet passed into law. It is not too late for the Secretary of State and his colleague in the DWP to get together and find a better system.

9.34 pm

James Morris (Halesowen and Rowley Regis) (Con): Britain has one of the most centralised systems of local government finance in the developed world, which is why I support this Bill in beginning the process of removing that centrally controlled straitjacket. It is also why I welcome the provisions for the relocalisation of the business rate as a significant step forward in achieving the devolution of financial power. I have been a strong advocate for relocalisation for a long time, in my capacity as chief executive of Localis, the local government think tank, because I believe that relocalisation of the business rate will provide a significant incentive for local authorities to drive business growth. It will also, as the Secretary of State said, significantly change the culture, so that local government will no longer be looking upwards to the centre for grant funding but will be looking for locally driven solutions to issues of economic development.

[James Morris]

I recognise, as others have done, the important contribution that tax increment finance can also play in providing a new and innovative mechanism of funding for local authorities, and I very much welcome the Bill's provisions on TIFs. Dudley metropolitan borough council, one of the local authorities in my constituency, is already looking at projects that it might be able to convert into TIF-funded infrastructure development, which is critical. I welcome both those central provisions.

I also particularly welcome the opportunity for enterprise zones to retain a proportion of the uplift in business growth and in business rates, because that is going to be a good way of incentivising and developing local enterprise partnerships and offering them a long-term income stream. I very much welcome the Bill as a significant step forward and major milestone in the Government's approach to localism. It is a very important first step in moving towards a genuine devolution of financial power, so I very much support the provisions and welcome the Bill strongly.

9.37 pm

Mark Pawsey (Rugby) (Con): I thank my hon. Friend the Member for Halesowen and Rowley Regis (James Morris), a fellow member of the Select Committee on Communities and Local Government, for keeping his remarks so brief in order to enable me to make one or two comments of my own.

Allowing local authorities to retain part of the business rate is a key part of the Bill and I wish to speak from the perspective of a business owner, which is what I was for 25 years before arriving in this place. Business rates were a significant cost to my business, as they are to every other business, being the third largest tax we paid. They cost several thousand pounds a year, and they increased as my business grew and moved to larger premises. As a business man, it came as a bit of a shock to me, before getting involved in politics, to realise that the business rate bill that I paid to my local authority was not spent by my local authority in pursuit of services in the area in which I was based, but went into a central pool. It is entirely right that a proportion will in future be retained by the local authority, because promoting growth is a key role for local authorities. It is also very important to business owners, because that growth develops new customers and new clients for businesses and provides a better situation for staff.

I wish to discuss one issue not covered by the Bill, which is vacant commercial rates. There was an opportunity to extend relief to businesses that own vacant premises. The rating of those premises is causing hardship to the business community and it is making it difficult to encourage business growth, because there is currently no speculative building of business units and it has encouraged the demolition of vacant older industrial buildings so that the tax can be avoided. I wish to distinguish that approach from the provision on empty homes, because the housing market is distinctively different from the commercial property market. I welcome the empty homes premium, because we have 700,000 vacant homes and it is important that we provide an incentive to bring them into use.

I wish to discuss a final point about the influence of planning permissions. We await the outcome of the national planning policy framework, but there is a risk that the retention of business rates could become an additional incentive to grant planning permissions for developments that are not necessarily in the most appropriate locations. I hope that that concern will be addressed by a robust commitment to town centres first in the final draft of the NPPF, as the Select Committee report suggested.

I welcome the Bill. It is consistent with the Government's decentralisation and localism provisions, it is a step change away from the dependency culture we have had up until now, and it pursues a strong localism agenda that will prioritise economic growth, which I will always support.

9.40 pm

Helen Jones (Warrington North) (Lab): This has been an interesting debate, marked by a number of contributions from people with real expertise in local government finance and real concern—from those on the Opposition Benches—about what the Bill means for their communities. I do not have time to do justice to them all, but my right hon. Friends the Members for Wentworth and Dearne (John Healey) and for Greenwich and Woolwich (Mr Raynsford), both distinguished former Ministers, made some serious points, as did my hon. Friend the Member for Sheffield South East (Mr Betts), the Chair of the Communities and Local Government Committee, supported by my hon. Friends the Members for Stalybridge and Hyde (Jonathan Reynolds), for Plymouth, Moor View (Alison Seabeck), for Stoke-on-Trent Central (Tristram Hunt), for Lewisham East (Heidi Alexander), for Sefton Central (Bill Esterson), for North Durham (Mr Jones), and for Stockton North (Alex Cunningham). They were all united in their deep suspicion of the Government's motives and they are right to be, because as usual the Government began with grandiose declarations about what they intended to do, but that ended in failure.

There has been a failure to look properly at local government finance as a whole, a failure to consider need and a real failure to accept the Government's own role in promoting economic development. We have ended up with a deeply flawed Bill in which we are asked to write a blank cheque for the Secretary of State. He will decide the tariffs and top-ups, he will decide the amount of the levy and he will decide who gets a safety net payment. He is rapidly becoming the Del Boy of local government finance, selling us all dodgy schemes while he sits there, rubbing his hands and saying, "You know it makes sense." We are not buying, and we are not buying because we know his record. We saw how in the so-called Localism Act 2011 he gave himself 100 more powers. We have seen him design a local government finance settlement to centralise power and devolve the blame. That is exactly what the Government are up to now, and it was clear from the moment of their consultation, when they said that

"local authorities can be reluctant to allow commercial development and promote economic growth".

I ask the Government, as I have asked them before, to name one such local authority. I know of no local authority—certainly no Labour local authority—that is not desperate to attract jobs and growth. It is not local councils that have stalled the economy, but this Government, who inherited an economy that was growing faster than the EU average and faster than that of the United States, and who destroyed it with a slash-and-burn

approach to public spending. Of course, the Secretary of State is a true believer in that. He began in 2010 with in-year cuts to specific grants, which by their very nature target the most deprived communities. He then designed a local Government finance settlement that we are asked to accept as the baseline for business rate redistribution and that is breathtaking in its unfairness.

One need only look at the heat maps to see where the cuts fall: the north-east, Yorkshire, the north-west, parts of inner London and parts of the midlands. As a result of the Secretary of State's settlement, by 2012-13 Liverpool will have lost spending power of £235 per person, Hartlepool £183, Newcastle £144 and Wokingham—the Government's favourite council—just £1. That is what we are asked to accept as the baseline—a baseline, moreover, that includes the new homes bonus and the 2011-12 council tax freeze grant. That all gives advantages to authorities with a high tax base over those with a low tax base. The system starts from inequality and it will go on to entrench it further.

There is nothing in the Bill about the infrastructure that many areas need to allow them to develop and there is nothing about the surplus capacity in many of our cities. Liverpool has empty office space that is already subject to rates, which could create 15,000 jobs if brought back into use, but hardly any extra income for the local authority. An area such as Halton has 22.3% of its business property with an empty rating assessment. Again, that could create more jobs but hardly any extra income for the local authority.

The big black hole in the Government's Bill is any recognition of their own responsibility to promote growth and help weaker economies to grow. It is not surprising then that they have even failed to address where business rates are a proper measure of economic growth at all. Commercial and retail premises generate far more business rate than manufacturing and small businesses. Small business start-ups, internet businesses and sectors such as tourism are vital to our economy but generate little in business rate. Nationally, we need those businesses. We need the skills they bring, the innovation they develop and the exports they gain. It is typical of the Government's muddled thinking that they claim to support manufacturing and small businesses but then design a scheme with a built-in incentive for retail. No wonder the Secretary of State has been told by the leaders of local authorities in manufacturing areas that the Bill gives preference to retail over manufacturing.

The Bill also gives preference to the rich over the poor. Under the scheme, the gap between rich and poor areas and between north and south will widen—even if top-ups and tariffs grow by the retail prices index. It will widen even if all local authorities generate the same increase in business rates and council tax, because another thing that the Government have failed to consider is the different tax base of local authorities, particularly the different council tax base, which is not in the Bill at all. They have nothing to say about areas such as the north-east, where 56% of properties are in band A and 86% are in bands A to C. They have nothing to say about the difference between those areas and Surrey, for example, where 75% of properties are in band D or above. They have nothing to say about it because they do not want to address the problem of inequality.

The same is also true of the Government's suggestion about the localisation of council tax benefit, which we will need to discuss in much more detail in Committee. The scheme will ensure that the people who are hit hardest will be the working poor—the people who go out every week to earn their poverty—and this from the Government who say they want to make work pay.

Another big thing that is missing from the Bill is any assessment of need. This Government with a Cabinet stuffed full of millionaires do not care about those who need local services. I know the Secretary of State is going to tell me that he is not a millionaire, but he hardly represents the squeezed middle, does he? The Government have nothing to say about areas such as Liverpool, which has seen a 73% increase in special guardianship orders since 2009, or Durham, where nearly 2.5 times as many people require home care as in Surrey. They have nothing to say about areas such as Halton, where 24% of the population have a limiting long-term illness. In future, those services cannot be safeguarded if business rates fall because the Bill introduces a postcode lottery in services and benefits. No longer will a person's entitlement depend on their situation; it will depend on where they live.

It is for that reason that we oppose the Bill. It will increase the disparity between rich and poor; it will hit the poorest areas most; and it will in the end ensure, as my hon. Friend the Member for North Durham said, a two-tier, two-speed economy in Britain. For that reason, I urge my hon. Friends to oppose the Bill in the Lobby tonight.

9.49 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): Some 26 Members have spoken in the debate, and I too apologise if I cannot follow every one of the interventions in detail. I appreciated the contributions of my hon. Friends the Members for Crawley (Henry Smith), for Mid Dorset and North Poole (Annette Brooke), for North West Leicestershire (Andrew Bridgen), for Ipswich (Ben Gummer), for Meon Valley (George Hollingbery), for Milton Keynes South (Iain Stewart), for Nuneaton (Mr Jones), for Folkestone and Hythe (Damian Collins), for Lancaster and Fleetwood (Eric Ollerenshaw), for Thurrock (Jackie Doyle-Price), for Harrow East (Bob Blackman), for Halesowen and Rowley Regis (James Morris) and for Rugby (Mark Pawsey), all of whom spoke from experience in local government and also, significantly and importantly, often from experience in business too, because one of the Bill's objectives is to re-establish a proper link between local councils and the businesses that they serve and the communities who benefit from growth.

It has been in other respects, I confess, a classic curate's egg of a debate, with some thoughtful and considered speeches and some of quite breathtaking banality. When I listened, with every respect, to the hon. Member for Warrington North (Helen Jones) talking about a golden legacy left by the previous Government, I realised we had finally entered the realms of illusion. While I bring the hon. Lady back to reality—and talking of experience—let me just tell her that this grandson of a London docker is not going to take any lectures on need from the party of Tony Blair.

The reality is that the Bill is a necessary measure to clear up the mess that the Labour party made of Government finance in 13 years. Two of the Ministers responsible have done their very best to defend a local

[Robert Neill]

government finance system which they regard as so wonderful that it should almost be a listed building, but which has been described by dispassionate observers as incomprehensible, complex, unfair and unable to provide a proper means of distribution.

It was interesting to hear references to the Lyons review, which the Labour Government sat on for three years, doing nothing. Lyons said:

"there are no coherent or systematic financial incentives that encourage growth either for"

councils

"or, more importantly for their communities."

Labour did nothing; we are doing something.

"The current English model of equalisation is recognised as one of the most complex in the world"

said the Lyons review, which Labour set up and ignored when it did not give the answers it wanted. We are doing something about it.

The university of Plymouth—the hon. Member for Plymouth, Moor View (Alison Seabeck) spoke earlier—said:

"the four-block model is deeply flawed and generates an inequitable allocation of this major source of local authority revenue."

The Labour Govt did nothing about that, although they had the information; we are putting it right.

Secondly, it is shameful—

Mr Dave Watts (St Helens North) (Lab): Will the Minister give way?

Robert Neill: There has been little time, and I intend to make a few points, if I may.

Secondly, and particularly regrettably, there was the simplistic analysis and the misleading attempt in the debate to create a false north-south divide—particularly disgraceful, it might be thought, when one has only to look at the facts and observe that over the last five-year revaluation period, when the average business rate growth in England was 5%, the following authorities had business rate growth above the average, and therefore would have benefited more than average had our proposed system been in place: Doncaster, Durham, Greenwich, Hull, Liverpool, Manchester, North Tyneside, South Tyneside, Sunderland, Sefton, Stockton, Middlesbrough—*[Interruption.]* No, I am not prepared to take any lectures from Labour Members when they cannot get the facts right. I will give way once, briefly.

Helen Jones: Would the hon. Gentleman like to tell us how much was invested in those regions by the Labour Government to promote that growth—investment which has now been cut under his Government?

Robert Neill: That confirms my view that there is an illusion that the racking up of debt is somehow beneficial to this economy, and that is the reason why, I am afraid, in one aspect of the Bill, it is necessary for us to deal with the required deficit reduction in relation to council tax benefit—precisely because the only way in which we will get sustainable long-term growth in any parts of this country is by reducing the deficit that we inherited.

In tackling that important issue, the Bill seeks to meet the concerns of local government that the reform of the benefits system into universal benefit might have meant that there was no longer direct payment of those moneys to local authorities. Our Bill makes that point, but also gives local authorities the ability to design those savings in a way that reflects their needs and their priorities—which, as we all heard from the debate, vary from locality to locality. The unwillingness of Opposition Members to face that simple reality speaks volumes about the shoddiness of their analysis.

It is remarkable that, with one or two honourable exceptions, no attempt was made to pursue some of the important measures which have been put in place to safeguard the underpinning of the business rate retention system. Not only will there be a baseline to ensure that no local authority loses out at the start, but the system of tariffs and top-ups will be uprated according to the retail prices index so that the vast bulk of local authorities' income will be protected, and at the same time, local authorities that are incentivised to encourage growth will always see some benefit coming through. Similarly, the hon. Lady referred to infrastructure, but she poured scorn upon the introduction of tax increment financing, which is exactly the means of unlocking some of that infrastructure—a model called for by all dispassionate observers, and for many years by Members of all parties, but consistently ignored by the Opposition. They seem to be stuck in—

Helen Jones *rose—*

Robert Neill: I have given way once and I shall not give way again. I am sure the hon. Lady will have plenty of opportunity to raise these matters when we debate the Bill in Committee on the Floor of the House. I find it amazing that the shadow Secretary of State complained about that. It says it all that the first comment that the shadow Secretary of State could make was a debating point that it was objectionable that we should take such business on the Floor of the House, where every Member can participate, since every one of their local authorities is affected by the proposal. That suggests that the Opposition had very few other arguments to deploy. It is a little like the consistent trotting out of the inaccuracy in the growth figures across the UK. When we are reduced to a sort of political re-run of "Z Cars", we know we have won the argument because the Opposition have nothing else to put into the equation.

The reality is that for the first time the Government have taken steps to redress the balance in a system that is recognised across the world as not working. There is not an adequate linkage with local authorities. I believe there are local authorities of all parties that want to do the best by their community, but they lack the tools and the mechanisms to create that by encouraging growth in their areas. We are replacing a flawed system with one which gives them the scope for growth. I had hoped that Members in all parts of the House would applaud that. However, we get a degree of churlishness and carping, indicating that because the Opposition did not come up with the plan, they regard it as unworkable.

We will talk through the details of the Bill as we examine it in Committee, but it is worth noting that very many of the independent responses to the consultation favoured this reform. It is worth bearing in mind the fact that in 2008-09 the Communities and Local Government Committee said that relocalisation would give local government an additional tool to pursue local recession-proofing policies, and it is worth recognising

that the new local government network, not normally associated with the coalition side of the House, said that it recognised the potential that the growth incentive presents to create new private sector jobs and prosperity.

Hon. Members ought to wake up to reality and recognise that what is being put forward is an important and valuable reform. I hoped that rather than voting against it, they would have endorsed it and worked with us to make sure that we have a lasting system of finance for the future.

Question put, That the Bill be now read a Second time.

The House divided: Ayes 332, Noes 232.

Division No. 414] **[9.59 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, Mr Gregory
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Sir Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh

Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Sir Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, rh Nicholas
Soubry, Anna
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, rh Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
Stephen Crabb and Norman Lamb

NOES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davies, Geraint
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hancock, Mr Mike
Hanson, rh Mr David
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Dame Joan
Sarwar, Anas

Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Yvonne Fovargue and Jonathan Ashworth

Question accordingly agreed to.
Bill read a Second time.

LOCAL GOVERNMENT FINANCE BILL (PROGRAMME)

Motion made, and Question put forthwith, (Standing Order No. 83A(7)),

That the following provisions shall apply to the Local Government Finance Bill:

Committal

1. The Bill shall be committed to a Committee of the whole House.

Proceedings in Committee

2. Proceedings in Committee of the whole House shall be completed in three days.

3. The proceedings shall be taken in the order shown in the first column of the following Table.

4. The proceedings shall (so far as not previously concluded) be brought to a conclusion at the time specified in the second column of the Table.

Table

Proceedings	*Time for conclusion of proceedings*
Clause 1, Schedule 1, Clause 2, Schedule 2, Clauses 3 to 5, Schedule 3, Clauses 6and 7, new Clauses relating to nondomestic rates, new Schedules relating to non-domestic rates.	The moment of interruption on the second day.
Clause 8, Schedule 4, Clauses 9 to 16, new Clauses relating to council tax, new Schedules relating to council tax, remaining new Clauses, remaining new Schedules, remaining proceedings in Committee.	The moment of interruption on the third day.

Consideration and Third Reading

5. Any proceedings on Consideration shall (so far as not previously concluded) be brought to a conclusion one hour before the moment of interruption on the day on which those proceedings are commenced.

6. Proceedings on Third Reading shall (so far as not previously concluded) be brought to a conclusion at the moment of interruption on the day on which those proceedings are commenced.

Programming committees

7. Standing Order No. 83B (Programming committees) shall not apply to the proceedings on the Bill in Committee of the whole House, to any proceedings on Consideration or to proceedings on Third Reading.

Other proceedings

8. Any other proceedings on the Bill (including any proceedings on consideration of Lords Amendments or on any further messages from the Lords) may be programmed.—*(Jeremy Wright.)*

The House divided: Ayes 321, Noes 234.

Division No. 415] **[10.15 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Sir Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael

Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Sir Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, rh Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
James Duddridge and Norman Lamb

NOES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davies, Geraint
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas

Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Dame Joan
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Yvonne Fovargue and Jonathan Ashworth

Question accordingly agreed to.

LOCAL GOVERNMENT FINANCE BILL (MONEY)

Queen's recommendation signified.

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Local Government Finance Bill, it is expedient to authorise the payment out of money provided by Parliament of—

(a) any expenditure incurred by the Secretary of State in consequence of the Act, and

(b) any increase attributable to the Act in the sums payable under any other Act out of money so provided.—*(Jeremy Wright.)*

The House divided: Ayes 314, Noes 189.

Division No. 416] **[10.29 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, Mr Gregory
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward

Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorries, Nadine
Doyle-Price, Jackie
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Sir Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Sir Bob
Rutley, David
Sanders, Mr Adrian
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Zahawi, Nadhim

Tellers for the Ayes:
James Duddridge and Norman Lamb

NOES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris

Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Tony
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davies, Geraint
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Dowd, Jim
Doyle, Gemma
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Griffith, Nia
Gwynne, Andrew
Hamilton, Mr David
Hanson, rh Mr David
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Howarth, rh Mr George
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Murray, Ian
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Seabeck, Alison
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Yvonne Fovargue and Jonathan Ashworth

Question accordingly agreed to.

LOCAL GOVERNMENT FINANCE BILL (WAYS AND MEANS)

Motion made, and Question put forthwith (Standing Order No. 52(1)(a)),

That, for the purposes of any Act resulting from the Local Government Finance Bill, it is expedient to authorise—

(1) the payment of sums to the Secretary of State in respect of non-domestic rating, and

(2) the payment of those sums into the Consolidated Fund.—*(Jeremy Wright.)*

The House divided: Ayes 312, Noes 175.

Division No. 417] **[10.42 pm**

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, Mr Gregory
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorries, Nadine
Doyle-Price, Jackie
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane

Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Sir Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Green, Damian
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
Mensch, Louise
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Sir Bob
Rutley, David
Sanders, Mr Adrian
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Ayes:
James Duddridge and Norman Lamb

NOES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Connarty, Michael
Cooper, Rosie
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John

Cunningham, Alex
Cunningham, Tony
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davies, Geraint
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Dowd, Jim
Doyle, Gemma
Dugher, Michael
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Fiello, Robert
Flint, rh Caroline
Flynn, Paul
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Griffith, Nia
Gwynne, Andrew
Hamilton, Mr David
Hanson, rh Mr David
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Howarth, rh Mr George
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Lucas, Ian
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miller, Andrew
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Murray, Ian
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Seabeck, Alison
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Yvonne Fovargue and Jonathan Ashworth

Question accordingly agreed to.

LOCAL GOVERNMENT FINANCE BILL (CARRY-OVER)

Motion made, and Question put forthwith (Standing Order No. 80A(1)(a)),

That if, at the conclusion of this Session of Parliament, proceedings on the Local Government Finance Bill have not been completed, they shall be resumed in the next Session.—*(Jeremy Wright.)*

The Speaker's opinion as to the decision of the Question being challenged, the Division was deferred until Wednesday 11 January (Standing Order No. 41A).

Business without Debate

BUSINESS OF THE HOUSE

Ordered,

That at the sitting on Wednesday 11 January paragraph (2) of Standing Order No. 31 (Questions on amendments) shall apply to the Motions in the name of Edward Miliband as if the day were an Opposition Day.—*(Jeremy Wright.)*

DELEGATED LEGISLATION (COMMITTEES)

Ordered,

That the Policing Protocol Order 2011 (S.I., 2011, No. 2744), dated 15 November 2011, be referred to a Delegated Legislation Committee.—*(Jeremy Wright.)*

Mr Speaker: Before the right hon. Member for Blackburn (Mr Straw) opens his Adjournment debate, may I appeal to Members who are, unaccountably, leaving the Chamber to do so quickly and quietly, so that the rest of us can hear what he has to say?

Rail Services (Clitheroe, Blackburn and Manchester)

Motion made, and Question proposed, That this House do now adjourn.—*(Jeremy Wright.)*

10.55 pm

Mr Jack Straw (Blackburn) (Lab): Thank you very much for that, Mr Speaker, and for the opportunity you have given me to raise this important local issue of rail services between Clitheroe, Blackburn and Manchester in my first Adjournment debate at least in this century and going back a good part of the previous one.

With the Transport Secretary's key announcement earlier this afternoon of the Government's commitment to press ahead with the High Speed 2 line, today will go down as a day of great significance in the development of public transport in the United Kingdom. Of course I welcome that announcement, as I welcomed the earlier announcements to extend electrification to the Manchester-Liverpool and Manchester-Preston rail corridors. HS2 will not, however, be completed until at least 2026, and the north-west electrification schemes will not be completed until at least 2016. So this evening I want to make the case for the pressing and much more immediate improvements needed in the north-south rail services from Clitheroe, which run through Blackburn and Darwen, and into Manchester. I also want to seek the advice and guidance of the Minister on how we can break out of an apparent Catch-22 that is in the way of those improvements, whose benefits for existing and future rail passengers, and for the wider economy of east Lancashire and the north-west, will, we believe, be significant.

The campaign for improvement in the services is supported by all the Members of Parliament for the area, all the political parties and all the local authorities affected. My constituency neighbour, the hon. Member for Rossendale and Darwen (Jake Berry), is in his place and will speak immediately after me, and the hon. Member for Ribble Valley (Mr Evans) would be vocal in his support for this cause but for the fact that, as a Deputy Speaker, he can take no part in debates.

Let me set the scene. Rail services in our area run east-west and north-south, with the main interchange being at Blackburn. When I became its Member of Parliament in 1979, these services in east Lancashire were, like those elsewhere, in the shadow of Dr Beeching's axe, and they were in a process of what appeared to be terminal decline. Some lines had been closed altogether or had had their passenger services ended. On other lines, double tracking had been replaced by single tracks, and service frequencies had been greatly reduced—that is the fundamental problem on the line under consideration.

In the 33 years since I became an MP, there have been some significant improvements in rail services. In the early 1980s, the Copy Pit line to west Yorkshire was reopened for passenger services. There is now an hourly fast service across the Pennines that, combined with a local stopping service to Colne, gives a half hourly east-west service throughout the day. In 1994, following a great campaign by rail groups in the Ribble Valley, with the support of the MP for that constituency and the county council and district councils, passenger services and stations from Clitheroe to Blackburn were reinstated. The new service has proved immensely popular.

Significant sums have been spent on station improvements. In 2000, Railtrack replaced the old and decaying train shed at Blackburn station with well-designed new station facilities, which were part of a £5 million regeneration project. That set of improvements has been augmented in the past few months by new buildings on platform 4 at Blackburn station, which were made necessary by the increased demand for rail services on both the east-west and north-south lines. Much needed improvements at Darwen station will be completed in April and regional growth fund moneys for the Todmorden curve, enabling direct services from Burnley to Manchester, have just been agreed.

Office of Rail Regulation data show that there has been a 90% increase in rail travel within the north-west in the 12 years from 1995-96 to 2007-08, exceeding by 20 percentage points the overall growth in all rail passenger journeys in Great Britain over the same period. The data also show that east Lancashire has been part of that extraordinary growth in local rail services in the north-west. There has been a 27% increase to 1.2 million a year in the number of passengers going through Blackburn station in the five years from 2004-05 to 2009-10 and an astonishing 46% increase in the number of passengers going through Darwen railway station, which is now 250,000 a year.

Overall, the north-south Clitheroe to Manchester line is forecast to be used by 1.7 million passengers this financial year, the highest patronage ever enjoyed by the route. The service developments that are already taking place at Manchester Victoria will put more stress on the service as connections become even easier to a larger range of destinations, including Manchester airport.

The irony is that alongside that catalogue of significant improvements, the one service that cannot be significantly improved at the moment is the line under consideration. The reason is very simple: the track between Blackburn and Bolton was singled in the 1960s. The result is that the maximum level of service that is possible to run on that line is that run today—basically, an hourly service with a half hourly service in the morning and evening peaks. Even maintaining that pattern of service is difficult as, because of the long sections of single track, delays become amplified, sometimes throughout the day. Overcrowding on the services can be intense, as all of us who use it can bear witness, and the quality of the rolling stock is poor on the whole—it is made up of the old Pacers and Sprinters of the 1970s and 1980s—despite the best efforts of Northern Rail, the train operating company. Essentially, other areas' cast-offs are "cascaded" —I think that is the polite term—as new stock is brought in not in east Lancashire but elsewhere.

The solution to that systemically unsatisfactory situation is obvious: to double track some, although not all, of the line between Blackburn and Bolton, to lengthen trains and to improve the quality of the rolling stock. A great deal of technical work has been undertaken already on the key issue of doubling the track. The north-west rail utilisation strategy for 2007 put the "anticipated cost" of the necessary infrastructure improvement at "over £20 million".

The consultants commissioned by the local authorities, Faber Maunsell, concluded in their 2007 report that a "positive business case is achievable for some of the options" under consideration. That said, the scheme has not so far scored highly enough on the standard cost-benefit analysis tools to feature in Network Rail's confirmed

investment programmes. The frustration that we all feel—the Catch 22—is that we know as a fact that there has been a huge increase in ridership even given the less than satisfactory frequency, reliability and comfort of the current service and we are convinced that pretty modest improvements in the scale of things would enable there to be dramatic improvements in reliability, frequency and ridership, with major benefits to the local economy. We see proposals elsewhere in the region and in the country whose intrinsic benefits appear to be no greater being more successful in the competition for funds, yet the formulae used do not appear satisfactorily to capture the economic and social benefits that we are sure will accrue from this investment. So, we look forward with optimism and anticipation to the advice from the Minister on how we can break away from the circular trap we are in and progress this scheme.

11.4 pm

Jake Berry (Rossendale and Darwen) (Con): Let me start by congratulating the right hon. Member for Blackburn (Mr Straw) on securing this very important Adjournment debate, which is vital to his constituency and mine. The railway link between Manchester, Darwen and Blackburn needs to be improved. As we have heard, the current service is infrequent and suffers from chronic overcrowding. Despite those problems, it is heavily used. Indeed, I was astounded to learn that there has been a 46% increase in the number of people catching the train from Darwen into Manchester in the past five years.

This evening, the right hon. Gentleman and I ask the Minister for advice on how we can proceed as local MPs in partnership with our local authorities and on a cross-party basis to achieve the doubling of parts of the line between Darwen and Bolton so that we can have a regular half-hourly service that is reliable not only at rush hour but throughout the day. Other works will also be required to improve the service, including the lengthening of platforms to enable longer trains to ease the chronic overcrowding problems. In terms of public infrastructure, the improvements we seek are relatively affordable. Independent estimates have costed them at around £20 million.

I do not want you to think that this is just the Jake and Jack line, Mr Speaker. Improvements would also benefit many other hon. Members of the House and would help residents in Salford, Bolton, Darwen, Blackburn and Clitheroe. My major concern is the Darwen dividend, as the local MP, and I want improvements in the line for my constituents. I draw the Minister's attention to the overwhelming demand for an improved service, which has already been demonstrated by the increased use. Clearly, demand already exists.

Why is the improvement we seek necessary? Even with the current overcrowded and often unreliable service, 10% of the borough's work force from Blackburn and Darwen commute to Greater Manchester to work. As a Liverpudlian, it pains me greatly to admit that Manchester is the north-west's superpower, but unfortunately I have to say that that is correct. Independent estimates suggest that about 60,000 new jobs will be created in Greater Manchester over the next 10 years. That jobs and growth dividend must be shared across Blackburn and Darwen, with my constituents, and across the entire borough. We want this growth dividend in east Lancashire, which has some deprived areas. We need it. Some of the growth in jobs and industry will be linked to MediaCity, and the line we are discussing is vital to servicing that development. It passes through Salford Central, which is the nearest station to MediaCity.

Why would people in east Lancashire want to go to Manchester for jobs? It is simply about economics. People who work in Manchester are more highly paid than people who have a job within the borough. If we want those high salaries to be brought back into our borough by people bringing their money home at the end of the day to spend in our local economy, we need a regular rail service and a rail link that can be relied on. That, I hope, will be the Darwen dividend for growth.

Finally, I urge the Minister to take a close look at the scheme. As I have said, it is affordable and the cost would be outweighed by the social, economic and leisure benefits for all the residents of east Lancashire. We are in a unique position in that our roads are among the most clogged up in the country. Indeed, the M66 was identified in the latest edition of *The Sunday Times* as the most congested road in Britain. We rely on our rail system and we need it to be improved. I hope the Minister will give that point some consideration.

11.9 pm

The Minister of State, Department for Transport (Mrs Theresa Villiers): I start by congratulating the right hon. Member for Blackburn (Mr Straw) on securing this debate on, as he says, a very auspicious day for the rail network in the United Kingdom. While the focus for many today has been on the big project, which is going to be high-speed rail, it is also very important to continue to improve services on our existing rail network, including local services of the sort that we have been discussing this evening. I know how much importance the right hon. Gentleman places on that, as do the other hon. Members who are present today and want to make their arguments heard.

The Government fully appreciate the economic benefits that improving our transport system can generate. That is why we have placed a priority on improving our rail network, even though our budgets are limited due to the need to deal with the deficit. So as well as going ahead with high-speed rail, we have embarked on the biggest programme of rail improvements to our existing network since the Victorian era, and that ambitious programme includes a number of very important projects in the north-west, which I may have time to cover briefly at the end if time allows.

We recognise that capacity has been an issue for a considerable time on commuter train services into Manchester, including services from Clitheroe and Blackburn. The passenger growth figures that the right hon. Gentleman and my hon. Friend the Member for Rossendale and Darwen (Jake Berry) have referred to are indeed striking, and that pattern is reflected on many other parts of the rail network, which is why we have undertaken the programme of capacity expansion that we have. It was welcome news, therefore, when funding for the HLOS—high-level output specification—programme of additional carriages on the whole network was confirmed by the Chancellor in the comprehensive spending review. That programme included extra carriages for the Clitheroe-Blackburn-Manchester line. Since July 2010, three of the seven peak services on that route have been lengthened, providing a 20% increase in the number of seats, and platforms have been lengthened at four stations.

[Mrs Theresa Villiers]

I recognise, however, as do the Government, the local support for other proposals to improve rail services between east Lancashire and Manchester. We recognise the support for the half-hour all day service from Blackburn to Manchester, which many have expressed support for and which is under discussion tonight. That is why the Department for Transport has engaged at considerable length with Blackburn with Darwen council, Burnley borough council and Lancashire county council on finding a way to deliver the service improvements that those local authorities and the local communities want.

I have been asked this evening to give advice on taking forward an improvement programme. The first stage has already been achieved—obtaining the support of the relevant local authorities. It is only when a commitment is made by the local authorities to prioritise these things locally that they have any chance of getting off the ground. It has become clear over recent years that rail service improvements between east Lancashire and Manchester have become a high priority locally, and the work that the councils have commissioned from Network Rail to carry out studies as part of their GRIP—governance for rail investment—process to identify infrastructure requirements is another important precondition for a credible proposal to enhance infrastructure and services. So again we are seeing this process being taken very seriously and important steps being taken, which are essential if there is to be a successful conclusion along the lines that the right hon. Member for Blackburn would like.

The local authorities, I understand, have also been working with Northern Rail to carry out demand forecasting and to estimate operating costs. That kind of foresight and commitment from local authorities has meant that they have been able to take advantage of some of the funding opportunities that have emerged over the last couple of years in relation to east Lancashire services. The most striking example of that has already been mentioned this evening: subject to due diligence, Burnley borough council has secured the funding from the regional growth fund for the Todmorden curve to enable through trains to run between Accrington, Burnley and Manchester. That will provide a considerable boost for regeneration of the Weavers Triangle area, as well as important benefits for businesses and for commuters to access those important job opportunities in Manchester, about which my hon. Friend the Member for Rossendale and Darwen addressed the House. I congratulate the borough and county councils on their success. That demonstrates that such projects can get off the ground if the right work is done.

The Clitheroe-Blackburn-Manchester line currently has an hourly service. We have heard this evening that there is concern locally that that is not frequent enough. It is supplemented by additional services at peak times between Blackburn and Manchester. I am aware that introducing at least a half-hourly service to Blackburn throughout the day is supported by Blackburn with Darwen council, Lancashire county council and Transport for Greater Manchester, as well as right hon. and hon. Members who have spoken this evening.

As we have also heard, much of the route between Blackburn and Bolton is single track. That means that infrastructure improvements would need to be delivered if a reliable half-hourly service were to be introduced in both directions throughout the day. My hon. Friend mentioned the idea of doubling the line. Network Rail concluded that a longer passing loop at Darwen and an increase in line speed capability at Turton crossing were the appropriate improvements, and work is going on to establish how much they are likely to cost.

Since this is a service generating primarily local benefits, it is for the local authority to identify a funding source for the investment needed to make it possible, but one possible source of funding would be the next major local transport schemes budget. This is the kind of project for which it is well worth putting forward a bid to that funding stream. Consistent with our wider localism agenda, we are currently considering how we might enlarge the participation of local and sub-national bodies in the decisions that are taken on how to allocate that major local transport fund, and we continue to engage with key stakeholders on our proposals. We will give further information shortly about the whole major local scheme that we envisage working in the future. We hope that there will be a bigger say for the local and regional stakeholders in the decisions.

If the proposal to introduce half-hourly services on the line were awarded funding under this budget, I am advised that a scheme could conceivably be implemented by December 2016, which might tie in well with the north-west electrification programme and the Ordsall Chord, which we expect to have been completed by that date. Consistent with the approach taken by the previous Government, if additional off-peak services require an ongoing subsidy, that would need to be funded by the local authorities for at least the first three years of operation. It is not clear whether in the long term these services would require additional subsidy, but many such local services tend to require subsidy, certainly in the early years. If the additional services continued to demonstrate a good business case after a three-year period of local subsidy, the Government would consider funding them if funds are available. The local authorities will need to look at that to identify the funding to subsidise for three years any enhanced service that they seek to take forward.

As a further relevant matter, I should mention that we plan soon to issue a consultation document on the decentralisation of decision making in relation to our railways generally. This could provide an opportunity for local authorities and PTEs to have a greater say in policy and decisions on local rail services, such as the Clitheroe-Blackburn-Manchester service. Decisions on this obviously await the consultation and its outcome, but services such as the ones that we have been discussing might be appropriate for devolution to a local body, playing a bigger role in relation to important aspects of the rail service and how the subsidy of those services is allocated within a particular area. But even without further devolution, a process is in place that could enable local authorities to take a scheme forward to enhance the Clitheroe to Manchester service. It does mean that they may have to make choices about whether the scheme is a higher priority than other transport choices in their area, but I can assure the right hon. Gentleman and my hon. Friend that we will continue to provide help and advice to the local authorities as they work with the rail industry further to develop the scheme and identify the funding needed if it is to go forward.

I want to put this debate in the context of the Government's wider improvements to rail in the north-west. In 2010, as the right hon. Gentleman mentioned, we confirmed the electrification of the so-called north-west triangle of routes, namely Manchester to Liverpool, Liverpool to Wigan North Western and Manchester to Preston via Bolton. This programme of electrification will result in faster journey times on these routes. The first stage, between Manchester and Earlestown, is due to be completed by December 2013, and the whole scheme should be finished by December 2016.

In March 2011, the Chancellor announced the go-ahead for a major element of the northern hub package—the construction of the Ordsall Chord. This important stretch of new line will enable trains from Manchester airport to Leeds and the north-east to serve Manchester Victoria alongside trains from Liverpool, which will be diverted from their present route to operate via the more direct Chat Moss route. This will substantially reduce journey times between Manchester and Leeds and release capacity at Piccadilly station for additional services from the south and east of the city. All those measures should help to open up job opportunities in the way that my hon. Friend referred to and enable more people to take advantage of the economic vitality of Manchester.

In his autumn statement the Chancellor announced that the route between Manchester, Leeds and York would be electrified. This announcement, coupled with the Ordsall Chord and a programme of other line speed improvements already funded, will cut journey times between Liverpool and Newcastle by up to 45 minutes. We believe that those improvements will deliver significant benefits across the north of England, particularly in the north-west, revitalising the Manchester economy to the benefit of the surrounding areas, including, of course, east Lancashire.

As well as cutting journey times and reducing costs, the improvements that we have announced and our programme of electrification will release diesel trains for use elsewhere on the network, making expansion of services on other lines easier to deliver. We will be considering further improvements to our railways in the north of England and other elements of the northern hub package in the high level output specification, which we will be publishing in the summer, on improvements that can be funded by the Government between 2014 and 2019. In the meantime, Network Rail is undertaking further development work on each element of the package to establish with greater clarity how much they would cost and to gauge the strength of the business case.

Our priority is to reduce the budget deficit, but we fully recognise the need to invest in improving our transport network, because of the regeneration and job opportunities that it can deliver. We are also pressing forward with a programme of reform on our railways so that we can reduce the cost of running them to give better value for money for taxpayers and fare payers, and also make it more realistic and viable to deliver the kind of improvements to services that hon. Members have called for tonight.

Question put and agreed to.

11.23 pm

House adjourned.

House of Commons

Wednesday 11 January 2012

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

SCOTLAND

The Secretary of State was asked—

Ministry of Defence Police

1. **Dr Eilidh Whiteford** (Banff and Buchan) (SNP): What discussions he has had with the Secretary of State for Defence about Ministry of Defence police numbers in Scotland. [88251]

The Secretary of State for Scotland (Michael Moore): We have regular discussions with ministerial colleagues on defence matters relating to Scotland. The Under-Secretary of State for Scotland, my right hon. Friend the Member for Dumfriesshire, Clydesdale and Tweeddale (David Mundell), last spoke about the issue to the Under-Secretary of State for Defence, my right hon. Friend the Member for South Leicestershire (Mr Robathan) —who is responsible for defence personnel, welfare and veterans—earlier this week.

Dr Whiteford: As recently as November last year, the Prime Minister said that

"there are no current plans to reduce the number of Ministry of Defence police at the Faslane or Coulport naval bases."—[*Official Report*, 23 November 2011; Vol. 536, c. 295.]

Since then, however, the Government have confirmed plans to cut the MOD police budget by 50%. I am curious to know whether the Prime Minister's assurances hold water. May I ask the Secretary of State what proportion of that cut will fall in Scotland, and whether he believes that the threats to our national security have diminished sufficiently in recent months to justify a 50% cut?

Michael Moore: What the Prime Minister said stands. There are no current plans for the MOD to reduce the core police role relating to the security of our national institutions, such as nuclear safety at Coulport or Faslane. National security, including the security of our defence installations, is our highest priority. The reason we have so many MOD police in Scotland in the first place is our huge defence imprint, which would be put at risk immediately if the country were to become independent.

Mr Alan Reid (Argyll and Bute) (LD): I am delighted by what the Secretary of State says about the importance of security at Faslane and Coulport, and by his assurance that there are no current plans to reduce the number of MOD police. I hope he will also be able to assure the House that the Government will never adopt any plans to reduce security at Faslane and Coulport, given the importance of the nuclear installations there.

Michael Moore: As I have said, national security and the defence of our security installations are our highest priority, and we will do nothing that would compromise that security.

Child Tax Credits

2. **John Robertson** (Glasgow North West) (Lab): What assessment he has made of the effect of the autumn statement on child tax credit payments in Scotland. [88252]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): The welfare system must remain fair and affordable, while protecting the most vulnerable. Most working-age benefits, benefits for disabled people and the basic state pension will increase by 5.2% in April. In order to remain on course with the debt consolidation plan and meet their fiscal mandate, the Government will increase the child element of child tax credit by the rate of inflation.

John Robertson: According to the House of Commons Library, the Government's decision not to proceed with the £110 increase in the child element of child tax credit will take £41 million away from nearly 400,000 children in Scotland alone. Worst hit in Scotland will be Glasgow city, where 44,000 children are set to miss out on £4.8 million. When will the Secretary of State stand up for the children of Scotland?

David Mundell: The Government are standing up for the children of Scotland. That is why our priority is sorting out the mess that the Labour Government made of our economy. The hon. Gentleman would do well to heed the words of the former Secretary of State for Scotland, the right hon. Member for East Renfrewshire (Mr Murphy):

"The truth is the Labour party would have to make cuts if we were in power."

John Stevenson (Carlisle) (Con): We all accept that these are difficult economic times, but does the Minister agree that one of the most effective ways of helping the lowest-paid families is raising the income tax threshold to £10,000 and beyond?

David Mundell: I entirely agree. The measure has had a significant impact in Scotland, and more than 2 million basic-rate taxpayers will benefit from it during the current Parliament.

Anas Sarwar (Glasgow Central) (Lab): After another week that has been dominated by political debate and headlines relating to Scotland's constitution, we must not ignore a report by End Child Poverty showing that 50% of local authority areas in Scotland contain wards in which 30% of children are living in poverty, and that in some wards in my constituency the figure is 50%. What action is the Secretary of State taking, along with the Scottish Government, to ensure that every child in Scotland is given the best start and opportunities in life?

David Mundell: The hon. Gentleman raises important issues, such as the fact that many of the levers relating to child poverty rest with the Scottish Government. As a result of the autumn statement, the Scottish Government received more than £500 million in additional revenue. I should have thought it would be better if they focused on how to deploy that revenue to deal with such problems as child poverty than to obsess about the constitution.

Inward Investment

3. **Alun Cairns** (Vale of Glamorgan) (Con): What steps he is taking to promote Scotland as a destination for international inward investment. [88253]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): My right hon. Friend the Secretary of State and I firmly believe that Scotland is the ideal destination for international inward investment, and we have taken a range of actions to promote such investment. My right hon. Friend recently led the largest ever Scottish trade delegation to Brazil to promote closer business links with a key emerging market for the Scottish economy.

Alun Cairns: Does my hon. Friend accept that, in an ever more competitive world, uncertainty about independence has not helped the cause of Scotland or any other part of the United Kingdom that is seeking to attract much-needed inward investment?

David Mundell: I entirely agree with my hon. Friend, which is why I believe it is better that a referendum on Scottish independence be held sooner rather than later.

Angus Robertson (Moray) (SNP): In contrast to the previous intervention, will the Minister acknowledge that international companies investing in Scotland since the re-election of the Scottish National party Scottish Government include INEOS, PetroChina, Dell, Gamesa, Amazon, Hewlett Packard and Mitsubishi Power Systems? Does he acknowledge that and welcome the investment?

David Mundell: I acknowledge that those companies have invested in spite of the uncertainty. We should consider the level of investment that Scotland could achieve if there was not that uncertainty.

Angus Robertson: That is the usual mantra that we hear from Government Members. Will the Minister respond to Scotland's leading entrepreneur, Jim McColl, who said on this very subject that business is "not concerned" about the

"independence referendum...What many of us in business are convinced about is that a productive and prosperous future for this country depends on securing real economic powers for the Parliament through constitutional change"?

Will the UK Government drop their foolish conditions, so that we can secure that change in the autumn of 2014?

David Mundell: I am sure the hon. Gentleman will agree that Mr McColl is entitled to his opinion, as is any other citizen of Scotland. I am sure you will encourage them, as your own party's Scottish Government already have, to contribute to our consultation on the independence referendum.

Mr Speaker: Order. Let me just point out to the Minister that I do not have my own Scottish Government.

Mr Philip Hollobone (Kettering) (Con): Does my right hon. Friend believe that were Scotland to become separate from the United Kingdom, and were it to be forced to join the eurozone as a condition of re-entry into the European Union, that would hinder or help inward investment into Scotland?

David Mundell: Uncertainty over Scotland's position in the EU, and uncertainty over which currency Scotland would use if it were ever to become independent, would certainly hinder inward investment into Scotland.

NEETs

4. **Mr Brian H. Donohoe** (Central Ayrshire) (Lab): How many young people are not in employment, training or education in Scotland. [88255]

The Secretary of State for Scotland (Michael Moore): The annual population survey of 2010 estimates that 36,000 18 to 19-year-olds in Scotland were not in education, employment or training between 2009 and 2010.

Mr Donohoe: I thank the Secretary of State for that response, but it does not really answer the question of what is happening between the ages of 16 and 18, which is as important, if not more important. What is he doing to encourage youngsters to enter industry and to enable them to take up apprenticeships as joiners, electricians and plumbers, because this Government have failed to attract people into those industries? Does he agree that the idea, which I suggested to him at a meeting, of setting up schools-industry liaison committees is worth supporting?

Michael Moore: The hon. Gentleman rightly continues to focus on this issue. We are all deeply concerned about youth unemployment. I have visited his constituency, and I have also had other meetings in Ayrshire and elsewhere, and it is right that we should join the Scottish Government, employers and all the agencies to help young people—aged between 16 and 18 and of any age—to find work or support. The youth contract that we announced before Christmas will bring £1 billion of extra investment into supporting the young unemployed, whether through wage incentives, additional work experience and opportunities or money to the Scottish Government. That money could also be used to create the school-industry liaison groups the hon. Gentleman wants.

Jo Swinson (East Dunbartonshire) (LD): As the Secretary of State says, youth unemployment is a huge concern for Members of all parties and for people across Scotland. The youth contract will help by providing 40,000 opportunities for young people in Scotland, but this problem will not be solved easily, so what will my right hon. Friend do to bring together people from the UK Government, the jobcentres and the Scottish Government, as well as business employers and education representatives, to offer the opportunities that young people in Scotland need?

Michael Moore: Over many months now, I have been bringing together exactly those groups in different parts of Scotland—including Ayrshire, Falkirk and the borders. At the end of March, I, along with the Secretary of State for Work and Pensions and the Scottish Finance Secretary, will bring everybody together so we can focus as two Governments and as all the interested parties on tackling this scourge that we must get rid of.

Mr William Bain (Glasgow North East) (Lab): The problem with the Secretary of State's complacent answers is that he simply does not grasp the scale of the crisis of slumping demand, employment and confidence that grips Scotland's economy due to the crushing austerity being imposed by this Government. Does he not share the real fears of young people that, with youth unemployment at over 21% and seven people chasing every vacancy in Scotland, there simply are not enough jobs to go around, and is it not time to change course by boosting demand through a cut in VAT now, before this Government's failing economic plan plunges Scotland into the misery of another downturn?

Michael Moore: I think it is wrong for the Labour party to be complacent about its record on the economy, which landed us in this mess in the first place. The shadow Defence Secretary, one of my predecessors as Scottish Secretary, said this week that Labour has to face up to the realities of the economy and the deficit, and the hon. Gentleman should do that, too. We want to work with everybody so that we can reduce youth unemployment, and I invite him to look at the youth contract in more detail.

Poverty

5. **Cathy Jamieson** (Kilmarnock and Loudoun) (Lab/Co-op): What assessment he has made of the effect of the autumn statement on levels of poverty in Scotland. [88256]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): The Government took action at the autumn statement to build a stronger and more balanced economy. As a result, more than £500 million has been added to the existing Scottish budget by the UK Government, which provides the Scottish Government with additional resources in these uncertain times.

Cathy Jamieson: I thank the Minister for that answer. Does he agree that one of the most important ways of tackling poverty is ensuring full employment? Does he therefore share my concern that Mahle Engine Systems in my constituency seems set to remove jobs from an area hit by high unemployment, taking those jobs out of Scotland and out of the UK?

David Mundell: I would be very disappointed if that were the case. I know that the hon. Lady is a doughty campaigner for employment in her constituency. We must continue to stress the benefits of employers remaining in Scotland, which is why the current constitutional uncertainty is so damaging.

Mr Jim Hood (Lanark and Hamilton East) (Lab): On Monday, when 700 of my constituents employed by WJ Harte Construction returned to work, they were told that the company had gone into administration, without any consultation whatsoever. I am told that Scottish Enterprise and the trade unions were not even aware of this. The MSP was not aware of it, and the MP certainly was not. The company was taken over by a venture capitalist more than two years ago, when it had a turnover of £100 million. It has now been run into the ground and the executives have run away with the money. Will the Minister meet me to discuss what we can do to save as many of these 700 jobs as possible? This is a disgraceful situation.

David Mundell: Obviously, as a fellow south Lanarkshire MP I am very disappointed to hear what the hon. Gentleman has to relate, and I should be very pleased to meet him to ensure that employment continues to be secured in south Lanarkshire.

Work Capability Assessment

6. **Tom Greatrex** (Rutherglen and Hamilton West) (Lab/Co-op): What discussions he has had with the Secretary of State for Work and Pensions on the work capability assessment in Scotland. [88257]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): My right hon. Friend the Secretary of State and I are in regular contact with Ministers from the Department for Work and Pensions on a range of issues concerning welfare reform. We also recently met Professor Malcolm Harrington to discuss his second review of the work capability assessment.

Tom Greatrex: I thank the Minister for that answer. I am sure he will be aware of a report published today by Citizens Advice entitled "Right First Time?", which examines the high level of incorrect and inaccurate decisions made in the work capability assessment. Given the amount of money that Atos Healthcare receives from the public purse for undertaking these assessments, is it not now time for the Government to consider the report's recommendation that financial penalties be imposed on Atos for a number of those incorrect assessments? *[Interruption.]*

David Mundell: This was one of the issues that the Secretary of State and I discussed with Professor Harrington, and as he prepares his further report, this is inevitably one of the issues he will address. *[Interruption.]*

Mr Speaker: Order. There are far too many noisy private conversations taking place in the Chamber. I would like to hear Dame Anne Begg.

Dame Anne Begg (Aberdeen South) (Lab): Now that the move from incapacity benefit to employment and support allowance is well under way, anecdotally, it would appear that Atos is finding it very difficult to carry out the necessary work capability assessments, so there could be extra delays. Will the Minister please engage with his fellow Ministers in the DWP to make sure that Atos can deliver on the contract?

David Mundell: I can certainly assure the hon. Lady that I will pass on her concerns to the Department.

Independence Referendum

7. **Iain Stewart** (Milton Keynes South) (Con): What representations he has received from the Scottish Government on the holding of a referendum in Scotland on independence from the UK. [88258]

8. **Fiona Bruce** (Congleton) (Con): What representations he has received from the Scottish Government on the holding of a referendum in Scotland on independence from the UK. [88259]

10. **Mark Menzies** (Fylde) (Con): What representations he has received from the Scottish Government on the holding of a referendum in Scotland on independence from the UK. [88261]

11. **Lindsay Roy** (Glenrothes) (Lab): What recent discussions he has had with the First Minister for Scotland on the referendum proposed by the Scottish Government on Scotland's independence from the UK. [88262]

The Secretary of State for Scotland (Michael Moore): Yesterday, I made a statement announcing a consultation to seek views on how any referendum can be made legal, fair and decisive. I discussed this yesterday with the First Minister, and I hope to have further discussions with the Scottish Government, along with other politicians and people from across Scottish civic society, during the consultation.

Iain Stewart: The House of Commons Library has given me strong evidence to show that the economies of Quebec and Canada as a whole suffered in the 1990s due to constitutional uncertainty. For the sake of jobs in Scotland and England, does my right hon. Friend agree that the last thing we need is a prolonged period of constitutional uncertainty, and that the First Minister should stop playing politics and get on with it?

Michael Moore: My hon. Friend is correct to point to that independent analysis and the experience of Quebec and the rest of Canada. It is vital that the economic uncertainty we now face because of the referendum is resolved, which is why we have brought forward proposals to make the referendum legal, fair and decisive. I want it to happen as soon as possible.

Fiona Bruce: Can my right hon. Friend confirm that if the UK Government do not facilitate an independence referendum, one cannot take place?

Michael Moore: The central issue arising from the consultation that I launched yesterday is that, as things stand, the Scottish Parliament does not have the legal power to hold a referendum, regardless of how that is described, and we need to provide that power by working with it. I am committed to working with the Scottish Government, and with people from across the country, so that we can get the power devolved to Scotland, the Scottish Government can then develop the question and we can get on with the referendum, which will be made in Scotland, for the people of Scotland.

Mark Menzies: Has my right hon. Friend had any conversations to establish what impact an independent Scotland would have on our relationship with the European Union and the euro?

Michael Moore: My hon. Friend is focusing on some of the central issues that we need to be able to get on to debate in the decision about whether Scotland should go its own way or continue to be part of the most successful multi-nation state in the history of the world, as I think it is vital it does. So let us get on and devolve the power to make it a legal referendum. Let us have a fair referendum and let us make sure it is decisive.

Lindsay Roy: The Select Committee on Scottish Affairs has already embarked on an inquiry to identify those issues, such as defence, which need to be resolved before a referendum is held. Does the Secretary of State plan to contribute to that debate with the Select Committee?

Michael Moore: I certainly do. What is really important is not just our debate now about the future of Scotland, but ensuring that everybody in the country gets the opportunity to participate in the consultation on the shape of the referendum, and I hope that people will respond to that. I hope that everybody across the country—not just politicians—will get involved in debating defence, welfare and the state of our economy, all of which, I believe, are much safer within the United Kingdom. *[Interruption.]*

Mr Speaker: Order. We are discussing extremely important matters and we should do so in an atmosphere of mutual respect.

Pete Wishart (Perth and North Perthshire) (SNP): We now know that there will be an independence referendum in the autumn of 1914—*[Laughter.]* That, of course, was the year that the great war started. There will be an independence referendum in 2014, designed and decided by the people of Scotland. If the Secretary of State is so concerned about the legal powers for the referendum, why does he not just devolve the powers, through section 30, without condition? I see that the Prime Minister has walked into this debate. I really hope that the Secretary of State can encourage the Prime Minister to come to Scotland as much as possible in the next two weeks, because the Prime Minister is the best recruiting sergeant for a "yes" to independence vote that we have.

Michael Moore: My right hon. Friend the Prime Minister will be a full participant in the debate, as will all people across the United Kingdom. For us, it is important that we have a referendum that is made in Scotland for the people of Scotland about our future in Scotland. The First Minister and now the hon. Gentleman —who gave a slightly different date—have put forward their preference for when that referendum should be, but before we can get anywhere near it we must ensure that it is legal. I hope that the Scottish Government will work with us to ensure that that is the case.

Margaret Curran (Glasgow East) (Lab): Does the Secretary of State recognise that following this week's important developments, the referendum campaign on Scotland's future is now effectively under way and it is

time to get on to the substance of the issue? What is more, given that the Scottish Government have said that they have been involved for some time in considering the details of the prospects for Scotland, will the Secretary of State tell the House whether any UK Government officials have been involved in any discussions on the future of the Scottish economy and, in particular, on whether a separate Scotland will keep the pound, join the euro or have a separate currency?

Michael Moore: The hon. Lady is right to focus on those key issues about the future of Scotland. I believe that Scotland is best served by continuing to be part of the United Kingdom, where our economy is stronger and our defence more secure, where we have much greater clout internationally and where our welfare system will be more generous and better. I hope that the Scottish Government will publish their plans about what they think should happen in an independent Scotland and in the meantime, as the hon. Lady says, let the debate commence.

Margaret Curran: I thank the Secretary of State for that answer. Does he agree that one of Britain's greatest achievements was the creation of the welfare state? Have any discussions taken place about the implications of separation for welfare spend in Scotland, particularly as recent figures reveal that it was three times greater than oil revenues in 2010?

Michael Moore: The hon. Lady makes an important point about the contrast between the level of spending to support some of the most vulnerable in our society in Scotland and, indeed, the rest of the country and the volatility of oil revenues. I believe that we can have a more secure and generous welfare system by sharing the risks and resources across the whole of the United Kingdom, which has helped Scotland through difficult times in the past and at present.

Gordon Henderson (Sittingbourne and Sheppey) (Con): Does my right hon. Friend agree that all Scots should be entitled to vote in any referendum on independence, whether or not they live in Scotland, including my dad, who is a proud Scotsman who happens to live in England and thinks of himself first and foremost as British?

Michael Moore: I pay tribute to my hon. Friend's dad's sense of patriotism and I am sure that he, like many other Scots around the country and around the world, will wish to contribute to our consultation. Like me, they will want to see this referendum on the most historic decision we will ever take in Scotland carried out legally and fairly, on a straightforward and decisive basis. Let us get that sorted and let us get on with the debate.

Youth Unemployment

9. **Katy Clark** (North Ayrshire and Arran) (Lab): What steps he has taken to address youth unemployment in Scotland. [88260]

The Secretary of State for Scotland (Michael Moore) *rose*— [*Interruption.*]

Mr Speaker: Order. I apologise for interrupting the Secretary of State, but we are discussing youth unemployment in Scotland, a very important matter, and I want to hear his answer.

Michael Moore: The Government have committed £1 billion over the next three years to implement the youth contract. Our package of support includes wage incentives for employers to recruit 18 to 24-year-olds from the Work programme and increased work experience opportunities for that age group. Other support is also available.

Katy Clark: I thank the Secretary of State for that answer. He is well aware of the rising levels of youth unemployment in North Ayrshire and I know that he has received strong representations about it from all the Ayrshire MPs. What more does he think that this Government can do at Westminster to increase public and private investment in North Ayrshire?

Michael Moore: I acknowledge the work that the hon. Lady has done and the fact that we recently met to discuss this very serious issue. It is important that the youth contract, which my right hon. Friend the Deputy Prime Minister visited Scotland to discuss on Friday, is taken advantage of by people across the country. I look forward to coming to the hon. Lady's constituency in the near future to meet those very people so that we can discuss how to implement it most effectively.

Public Subsidies

12. **John Mann** (Bassetlaw) (Lab): What comparative assessment he has made of the level of subsidy from the public purse for postal, transport and health services in Scotland and the north of England. [88263]

The Parliamentary Under-Secretary of State for Scotland (David Mundell): Health and large aspects of transport are devolved areas, and it is for the Parliament in Scotland to decide how to allocate its budget. The Government have provided an annual subsidy to Post Office Ltd of £150 million for the last financial year and £180 million for this financial year. The subsidy is not distributed by country or region.

John Mann: Does the Minister think it would help the forthcoming debate if all the figures were made public so that my constituents and others can fully participate?

David Mundell: I absolutely agree that the debate on the independence of Scotland should be based on facts and on the issues. That is why we need to move on from the process and get on with the referendum.

Andrew Percy (Brigg and Goole) (Con): The question of the referendum on Scotland is not a matter just for the Scottish Government or for the Scottish people. How and when will my constituents in England be consulted on this important matter?

Mr Speaker: I remind the Minister that the question is with reference to postal, transport and health services.

David Mundell: My hon. Friend's constituents have the opportunity to be represented on these issues through him in this House.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [88196] **Mr Graham Stuart** (Beverley and Holderness) (Con): If he will list his official engagements for Wednesday 11 January.

The Prime Minister (Mr David Cameron): I am sure that the whole House will wish to join me in paying tribute to the servicemen who have fallen in the service of our country since we last met for Prime Minister's Question Time—Captain Tom Jennings from the Royal Marines, Squadron Leader Anthony Downing from the Royal Air Force, Private John King from 1st Battalion the Yorkshire Regiment, and Rifleman Sachin Limbu from 1st Battalion the Royal Gurkha Rifles, who died after a long period in hospital where he was much loved by the staff who looked after him in Birmingham. Their outstanding courage and selflessness will never be forgotten. They have given their lives serving our country and making our world more secure, and our thoughts should be with their families and friends.

This morning I had meetings with ministerial colleagues and others, and in addition to my duties in this House I shall have further such meetings later today.

Mr Stuart: The whole House will wish to associate itself with the Prime Minister's tribute to the fallen.

May I ask the Prime Minister to join me in congratulating Cranswick Country Foods on its £15 million investment creating a state-of-the-art facility in my constituency, which is licensed for exporting to the US Department of Agriculture, exports throughout the EU and employs more than 1,200 people? Unfortunately, the Food Standards Agency is blocking exports from that excellent plant to the far east. Can my right hon. Friend assure me that job-destroying and unnecessary regulation will not be tolerated by his Government?

The Prime Minister: I certainly join my hon. Friend in congratulating the company in his constituency on its expansion and on the welcome new jobs it is bringing. It is vital that we rebalance our economy, with greater emphasis on business investment and on exports. Exports to China went up by 20% last year. I shall certainly do everything I can to help to resolve the situation, and I shall be happy to ask a Minister from the Department for Environment, Food and Rural Affairs to meet my hon. Friend to discuss this issue.

Edward Miliband (Doncaster North) (Lab): May I join the Prime Minister in paying tribute to Captain Tom Jennings from the Royal Marines, Squadron Leader Anthony Downing from the Royal Air Force, Private John King from 1st Battalion the Yorkshire Regiment, and Rifleman Sachin Limbu from 1st Battalion the Royal Gurkha Rifles? All of them showed enormous courage and bravery. They have made sacrifices on our behalf, and our deepest condolences go to their families and friends.

In the autumn statement the Chancellor said that train fares would rise by only 1% above inflation. Can the Prime Minister therefore explain why rail companies this month on some of the busiest commuter routes have increased their fares by up to 11%?

The Prime Minister: The power to do that was given to them by the last Labour Government.

Edward Miliband: No, Mr Speaker, the Prime Minister is wrong. The last Labour Government stopped them doing that, and this Prime Minister, when he came to office, reversed that policy, which we introduced. That is why the companies are able to rig the fares. That is why someone travelling from Northampton to London will see a rise on the season ticket of more than £300. Will he now stand up to the train companies, get a better deal for commuters and change his policy?

The Prime Minister: I know that the right hon. Gentleman has had a difficult start to the year, but I am afraid he has made it worse by getting the facts wrong. Labour, in 2009, allowed fare increases of up to 11%, because they introduced the idea of flexibility of 5% over and above the RPI plus 1% that was the case. What was the case in 2009 is the case today, but the key issue is this: there are only two places that money for railways can come from. It can come from the taxpayer or it can come from the traveller. What really matters is whether we are going to put money into rail investment, and this Government are putting that money in. We are building Crossrail, we are electrifying the Great Western main line, we are electrifying the line between Manchester and Liverpool, we are putting £308 billion into Crossrail, and of course, as my right hon. Friend the Secretary of State for Transport announced yesterday, we are building High Speed 2 as well.

Edward Miliband: I am afraid the Prime Minister is just wrong about the facts. The Labour Government saw that train companies were taking advantage of consumers, ripping them off by increasing fares more on the busiest routes, and we stopped it. We took that power away from them. He came to office and brought the power back. He made the wrong decision. And as for his idea that this is all to help the passenger, only last month the National Audit Office warned that the problem was that the money would probably result in increased train operating company profits. I ask the Prime Minister again: will he now go back and reverse his policy?

The Prime Minister: We originally set out an RPI plus 3% policy for train fares. We found money in the autumn statement to reduce that to RPI plus 1%, but if the right hon. Gentleman wants to see more money go into our railways—presumably he supports the electrification of the Great Western main line and the railway lines in the north-west—he will be touring the country telling us that he supports these things, but he is never prepared to take difficult decisions in order to support them. It is time—*[Interruption.]*

Mr Speaker: Order. The answers from the Prime Minister will be heard.

The Prime Minister: It is time for the Leader of the Opposition to listen to his shadow Defence Secretary, who wrote very candidly over Christmas:

"There is a difference between populism and popularity"—

and that difference is called credibility. Time to have some, I think.

Edward Miliband: Instead of his pre-prepared lines, the right hon. Gentleman should get his facts right about his own policy. He is just wrong. He says that he is continuing the policy of the Labour Government, and he is simply wrong on the facts. The Labour Government saw what the train companies were doing and said that we would put an end to it. The Prime Minister said at the weekend that he wanted to take action against crony capitalism. He has failed at the first hurdle. I ask him for the last time: will he now reverse the policy?

The Prime Minister: We are now on to the issue of higher pay. On the issue of the rail fares, let me be absolutely clear. Labour introduced the policy of 5% flexibility. They changed it for one year only—for an election year—but with no intention of making that permanent. If the right hon. Gentleman does not know that, he should. *[Interruption.]* If he wants to get on to the issue of executive pay, he is entirely right to raise it. Unlike a Government who did nothing—*[Interruption.]*

Mr Speaker: Order. I want to hear the answer, and however long it takes—*[Interruption.]* Order. However long it takes, I will.

The Prime Minister: Thank you, Mr Speaker. The Leader of the Opposition is right to raise the issue of executive pay—and unlike the previous Government, who did nothing for 13 years, this Government will act.

Sir Roger Gale (North Thanet) (Con): I understand that my right hon. Friend recommended me for one new present, and I am about to ask him for another. The Leader of the Opposition is talking drivel, I am afraid. My constituents on the Kent coast line had been paying up to 10% increases under the previous Government for the last four years, until they lost office. I congratulate this Government on their courageous decision to pursue High Speed 2. May I ask my right hon. Friend to turn his attention now to a piece of unfinished business left by the previous Government? High Speed 1 at present runs, in effect, only from St. Pancras to Ashford. Could he see it driven through to Thanet, so that we can enjoy the sort of benefits that in the future will be enjoyed by Birmingham?

The Prime Minister: First, I congratulate my hon. Friend on his well-deserved honour for his many years of service to his constituents. He is entirely right about what happened under the previous Government, when regulated fares went up by over 18% and unregulated fares went up by over 23%. I will certainly look into what he says about High Speed 1, but I think that it is an advertisement for what we can get by linking up our country with high-speed rail, shortening commuter distances and helping to change the economic geography of our country so that we can build a stronger economy.

Q2. [88198] **Luciana Berger** (Liverpool, Wavertree) (Lab/Co-op): Over 80,000 pensioners in Liverpool will lose up to £100 this winter following the Government's cut in winter fuel allowance. Will the Prime Minister adopt Labour's policy of ensuring that energy companies automatically put elderly customers on the cheapest tariff for gas and electricity?

The Prime Minister: I am afraid that, as with the hon. Lady's party leader, there seems to have been an outbreak of collective amnesia on the Labour Benches, because we have kept the previous Government's policy on the winter fuel allowance and are meeting in full all the promises that she and her party made on the winter fuel allowance. We have gone one further, because they introduced higher cold weather payments only for election year, but we have made them permanent.

Sarah Newton (Truro and Falmouth) (Con): The Prime Minister will have experienced at first hand the quality of nursing at Treliske. What steps are the Government taking to ensure that patients across the country receive the highest possible standards of nursing care from the NHS?

The Prime Minister: My hon. Friend is entirely right. I well remember—indeed, I will never forget—the time I spent at the Royal Cornwall hospital and the happy days I had there, and it was a great privilege to go back again last year. We have very high standards of nursing care in our country and the overwhelming majority of nurses do a fantastic job, but I do not think that we would be serving our constituents properly if we did not highlight those few cases where it goes wrong, and we have seen in the Care Quality Commission reports that there are areas where it has gone wrong. I think that it is incumbent on the Government to try to remove the bureaucracy that can get in nurses' way, but it is also important for us to highlight best practice in the best hospitals in our country—I visited an excellent hospital in Salford last week—and say, "Let's copy that right across the country," so that we have high standards of care and look after the nutritional needs, indeed all the needs, of vulnerable people in our hospitals.

Edward Miliband: I want to ask the Prime Minister about Scotland. We on this side of the House believe that the United Kingdom benefits the people of Scotland and the people of the rest of the United Kingdom in equal measure. We are stronger together and weaker apart. Does he agree that we must make the case for the Union—not simply a case against separatism, but the positive case about the shared benefits to us all of Scotland's part in the United Kingdom: the shared economic interests, the shared institutions such as the NHS, the defence forces and the BBC, and above all the shared values we hold together?

The Prime Minister: I am happy to say that this is an area where the right hon. Gentleman and I will be in 100% agreement. I passionately believe in the future of our United Kingdom, and passionately believe that we are stronger together than we would be by breaking apart. Frankly, I am sad that we are even having this debate, because I support the United Kingdom so strongly, but we have to respect the fact that Scotland voted for a separatist party in the Scottish parliamentary elections,

so the first thing that it is right to do is make clear the legal position about a referendum, which is what my right hon. Friend the Scottish Secretary has been doing. We have made the offer to devolve the power to hold that referendum so that it can be made in Scotland and held in Scotland. Frankly, I look forward to having the debate, because I think that too many in the Scottish National party have been happy to talk about the process but do not want to talk about the substance. I sometimes feel when I listen to them that it is not a referendum they want, but a "neverendum". Let us have the debate, and let us keep our country together.

Edward Miliband: May I agree with the Prime Minister? This is not a fight about process between the Westminster Government and the Scottish Government, or between the British Prime Minister and the Scottish First Minister. The way to tackle this issue is to have immediate cross-party talks in Scotland about the timing of the referendum, the nature of the single-question referendum and the vital involvement of the Electoral Commission. Does the Prime Minister also agree with me that we need as soon as possible, as he said, to get beyond process and have that discussion about the substantive issues? This is a momentous decision that our children and grandchildren will have to live with if we get it wrong, so we need a serious, thoughtful and inclusive debate about the choices and the benefits to Scotland of staying in the United Kingdom. On this important issue, the people of our country deserve nothing less than that serious debate about the benefits of the United Kingdom.

The Prime Minister: The right hon. Gentleman is right on those three points. On the process of negotiation, which is very important now, particularly given that the SNP has come out and made more clear what it wants to do, I am very happy for the UK Government and the Westminster Parliament to speak directly to the Scottish Government and the Scottish Parliament, and let us come to a conclusion about the best time and the best way to hold the referendum. But it must be clear, it must be legal, it must be decisive and it must be fair. Those are the absolute keys. I absolutely agree with the right hon. Gentleman: as soon as those process questions are settled, we need to get on to the substance. *[Interruption.]* The only point I would make about the timing— *[Interruption.]* As SNP Members, who cannot seem to keep quiet, are so keen to leave the United Kingdom, I do not quite understand why they want to put off putting the question for so long.

Mrs Helen Grant (Maidstone and The Weald) (Con): What action will the Prime Minister take to tackle the appalling issue of forced marriage both in the UK and globally?

The Prime Minister: My hon. Friend is absolutely right to raise that issue. We have taken some steps, as the previous Government did, to try to crack down on the practice of forced marriage, which, tragically, does take place in too many communities and too many places in our country. We are looking specifically at whether we should take further legal powers and make it a criminal offence, and I am taking a personal interest in the issue, as I think we should be taking every available step to say that it is simply unacceptable, in 2012 in a civilised country such as ours, to have such a barbaric practice.

Q3. [88199] **Lilian Greenwood** (Nottingham South) (Lab): Nottinghamshire police serve areas of deep deprivation, face some of the highest crime levels in the country and, rightly, have ambitious crime reduction targets, but Her Majesty's inspectorate of constabulary says that Nottinghamshire is one of five forces facing the most significant challenge to protect their front lines, and senior officers tell me that Government cuts will impact on front-line policing. Is it not time to implement the police funding formula in order to give my local police the resources that they need?

The Prime Minister: I shall look carefully at what the hon. Lady says, but all police forces are having to make efficiencies, and I praise chief constables for the steps that they have taken to deliver those efficiencies without affecting front-line policing, while at the same time still delivering a reduction in crime levels.

In Nottinghamshire police there are still 47 officers working in back-office jobs, there are still trained police officers working in human resources, finance and corporate development, and there is still further work to be done to civilianise those parts of the police force and make sure we get all our police officers out on the front line.

Q4. [88200] **Andrew Stephenson** (Pendle) (Con): Following the murder of my constituent Jane Clough by her former partner, a rapist, Jonathan Vass, I presented the Bail (Amendment) Bill to the House, and in October the Ministry of Justice team agreed to change the law. Can the Prime Minister confirm to the House, and to Jane's parents, who are in the Public Gallery today, when that will happen?

The Prime Minister: First, on behalf of the House, may I pay tribute to my hon. Friend for his work on the issue and, indeed, on that case? Our sympathies go out to the family, who have suffered so appallingly. I accept, and the Government accept in principle, that there should be a right of appeal against Crown court decisions allowing bail. There is of course that right in magistrates court cases, so there is a strong case for changing the law, and we will table an amendment in the Lords to the Legal Aid, Sentencing and Punishment of Offenders Bill, creating a right of appeal to a High Court judge against the granting of bail by a Crown court. I hope that that will improve the law, be more helpful to victims and give some satisfaction to the family whom my hon. Friend is representing so well.

Angus Robertson (Moray) (SNP): The Scottish Government were elected with an overwhelming mandate to deliver an independence referendum in the second half of this parliamentary term—*[Interruption.]* They were. It is a fact. In contrast, the Conservative party has fewer Members of Parliament in Scotland than there are giant pandas in Edinburgh zoo. Why is the Prime Minister trying to emulate Margaret Thatcher by dictating to Scotland?

The Prime Minister: Quite the opposite: we want to give Scotland the power to hold a legal referendum. Right across this House there is a uniform belief that that needs to happen. Discussions can now be entered into about the timing of the referendum and its precise nature, so that we can ensure that it is fair and decisive. The people of Scotland deserve nothing less.

Q5. [88201] **Greg Mulholland** (Leeds North West) (LD): Care of our older people is one of the most pressing issues facing this country today. Will the Prime Minister join me in welcoming Age UK's Care in Crisis campaign, which was launched on Monday? Will he commit to ensuring that the White Paper due in the spring will present a way forward on this vital issue?

The Prime Minister: I pay tribute to my hon. Friend for his work on this issue, and to the Age Concern campaign. We have a huge challenge to rise to this agenda and we want to do so through the White Paper. There are three elements: we must do something about the rising costs of domiciliary care, improve the quality of the care that people receive, and address the issue of people having to sell their homes and all their assets to pay for care. We are looking hard at all those issues to work out a way forward that is right for our system, and that the country can afford.

Q6. [88202] **Mr Michael Meacher** (Oldham West and Royton) (Lab): *The Sunday Times* showed that in the past two years the 1,000 richest persons in Britain got richer by £137 billion—enough to pay off the entire deficit. Will the Prime Minister therefore tax them to fund the creation of 1 million jobs, which would be a far better way of cutting the deficit than prolonged austerity?

The Prime Minister: For a minute, I thought that the right hon. Gentleman was talking about the Prime Minister he served under. It is essential that as we reduce the deficit and take difficult decisions we are fair, and are seen to be fair. What we have done so far has seen the top 10% of the country paying 10 times more than the bottom 10%. Crucially, the top 10% in terms of earnings are paying more not only in cash terms, but as a percentage of their income. As we go ahead with this agenda, I want to ensure that people behave responsibly, and that the Government do too.

Q7. [88203] **Dr Thérèse Coffey** (Suffolk Coastal) (Con): I am sure that you, Mr Speaker, and the Prime Minister will want to congratulate Mr Tony Whatling, who has served as postmaster in Westhall for more than 60 years and has still not retired. However, residents in Wangford and Walberswick are being let down because there is no post office outreach provision. Will the Prime Minister encourage the Post Office to use its generous subsidy to ensure that rural villages are served, not left stranded?

The Prime Minister: I certainly join my hon. Friend in paying tribute to Mr Whatling. To run a village store and post office for 60 years is a huge achievement. It is people like him who keep our country going. The Government have committed £1.3 billion to improve the network. As a condition of that funding, the Post Office must maintain at least 11,500 branches, but the point that my hon. Friend makes about mobile post offices is a good one. That is a way to serve many communities and to ensure that elderly and vulnerable people in particular get the services that they need.

Q8. [88204] **David Simpson** (Upper Bann) (DUP): The Deputy Prime Minister is reported to have said in the past few days that in due course the UK will sign up to the EU treaty that the Prime Minister rejected a short time ago. Was the Deputy Prime Minister correct?

The Prime Minister: The position is very straightforward. We did not sign the treaty because we did not get the safeguards that we wanted to receive. That situation is not going to change. What coalition partners want to put in their manifestos at the next election is entirely up to them.

Q9. [88205] **Andrew Jones** (Harrogate and Knaresborough) (Con): Does the Prime Minister agree that people should pay their taxes, keep their businesses onshore and not live as tax exiles in Switzerland, leaving pensioners high and dry? What is he doing to stamp out such predatory business practices?

The Prime Minister: My hon. Friend makes an interesting point. For all the lectures about predatory capitalism and taxing different businesses in different ways, the one person the Leader of the Opposition has chosen to advise him on this issue has based all his companies in the British Virgin Islands.

Q10. [88206] **Valerie Vaz** (Walsall South) (Lab): The funding for the United Kingdom Resource Centre for women in science, engineering and technology has been cut. Given that 1 million women are unemployed and that women make up only 12.3% of people in science, engineering and technology, will the Prime Minister look again at funding for the UKRC, and at thereby restoring Britain's leading role in science, which nurtured the talents of Dorothy Hodgkin and Rosalind Franklin?

The Prime Minister: I will certainly look at the case that the hon. Lady sets out. As she knows, despite having to make difficult decisions across a range of public spending areas we did not cut the science budget. Indeed, in the autumn statement the Chancellor provided a series of enhancements for specific science-based projects. I will look at the specific one that the hon. Lady mentions and get back to her.

Mike Crockart (Edinburgh West) (LD): Today, unfortunately, is the 10th anniversary of the opening of Guantanamo Bay, a despicable institution that to this day still holds one UK national. Will the Prime Minister commit to doing all he can to see that 2012 is the last year in which that institution operates?

The Prime Minister: My right hon. Friend the Foreign Secretary is working very hard with the United States to try to secure the issue and bring this chapter to a close. As the hon. Gentleman will know, we have also taken steps as a Government and as a country to try to achieve some closure to what happened in the past, through a settlement with the people who were in Guantanamo Bay and through setting up a proper inquiry to ensure that the British Government were not complicit in any way in the torture of people in Guantanamo Bay or elsewhere.

Q11. [88207] **Gregg McClymont** (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): A moment ago, the Prime Minister was clear that it is crucial that Government economic policy be fair and be seen to be fair. Can he therefore confirm that the 50% tax rate on incomes above £150,000 will remain in place for the duration of this Parliament?

The Prime Minister: We take pretty much the same point of view as the former shadow Chancellor who, when he introduced that rate, said that it should be a temporary measure. I think we should also make a judgment about how much money the tax is actually raising. The purpose of the tax system is to raise money for the funds that we need to put into our public services, and it is very important that we look at how it works in practice.

Heather Wheeler (South Derbyshire) (Con): Will the Prime Minister congratulate the Secretary of State for Transport and the good workers of Bombardier on securing a £188 million contract on 28 December, and on the announcement on the Toronto stock exchange, which was so important to the workers in Derbyshire?

The Prime Minister: I congratulate everyone at Bombardier on winning that contract. As I have said before from the Dispatch Box, I want the Government to be a good customer of British firms and work with their supply chain, and not to make the mistakes that the last Government made. They drew up the contract for the railway service that Bombardier did not win.

Q12. [88208] **Tony Lloyd** (Manchester Central) (Lab): The Prime Minister will probably be aware that a chief executive of a stock exchange top 100 company is paid 35 times as much as a hospital consultant who keeps people healthy and saves lives. If the Prime Minister is going to act tough on high pay, and if he really does get it, will he give a date—a year from now, or within the lifetime of this Parliament—when we will see that obscene 35 times multiple come tumbling down?

The Prime Minister: I do think that we should make progress on the issue of pay ratios, and we can start with the Government setting out their own pay ratios as an act of leadership. I think this Government have shown some leadership, not least by cutting and freezing Ministers' pay and having total transparency on pay across Government. On the specific case that the hon. Gentleman raises, this year we have seen a 49% increase in pay yet only a 4% increase in the FTSE. I am not against people running great companies being paid lots of money if they are growing and expanding them and succeeding, but we should not have rewards for failure. Frankly, the last Government had 13 years to deal with this, and did sweet nothing.

Nick Boles (Grantham and Stamford) (Con): Does the Prime Minister think that it can ever be fair for a single family to receive £100,000 a year in housing benefit alone?

The Prime Minister: My hon. Friend makes an important point. The issue of top people's pay and this issue are, in many ways, linked. We need to get rid of a something-for-nothing culture in this country. We inherited an out-of-control benefit system in which there were families on many tens of thousands of pounds of housing benefit. We had an out-of-control immigration system in which it paid to cheat, and we also had an out-of-control banking system in which reward was not linked to success. Unlike the last Government, we are going to deal with all those things.

Q13. [88209] **Tony Cunningham** (Workington) (Lab): The Cumbrian health economy is in crisis—real crisis. How does the Prime Minister propose to deal with it?

The Prime Minister: The first and most important thing is that we are committed to year on year increases in NHS spending. I am afraid that that position is not backed by the hon. Gentleman's party. Alongside the extra money, we also need to make sure that there is reform so that we give clinicians a leading role in the health service. We also have to do more on the public health and health promotion agenda, because that is the best way to reduce demands on our NHS. There is also one extra thing that we need to try to achieve: looking at the links between alcohol and crime, and alcohol and hospital admissions, which put massive pressure on our NHS. That is an issue that I want this Government to deal with.

Sir Bob Russell (Colchester) (LD): Ethnic cleansing and apartheid are evil. Sadly, successive Governments have supported a country where those vile actions are inflicted on indigenous people. We welcomed the Arab spring, but the long Arab winter continues for Palestinians. Last Tuesday the Israeli Government said that they would proceed with the forced eviction of 30,000 Bedouin Arabs from their historic lands. Is it not time we treated Israel as we did apartheid South Africa?

The Prime Minister: What I would say to my hon. Friend is that first, we should respect the fact that Israel is a democracy. It is a country that has a right to exist and that has frequently been threatened by its neighbours—but also, we are a country that should stand up for clear human rights and clear rights and wrongs in international relations. This Government have been very clear that we do not agree with the Israeli Government's practice on settlements. I raised the issue myself with the Israeli Prime Minister in a new year telephone call, and this Government will continue to act and vote on illegal settlements.

Q14. [88210] **Liz Kendall** (Leicester West) (Lab): Bethany Mickleburgh, a 14-year-old girl in my constituency, has leukaemia and desperately needs a bone marrow transplant. Despite an incredible campaign by her family to get more people to join the blood stem cell register, Bethany still does not have a match and is having to look overseas. What plans do the Government have to improve public awareness of that vital issue and increase the number of potential bone marrow donors in the UK?

The Prime Minister: The hon. Lady is right to speak up for Bethany specifically, but also for all bone marrow cancer sufferers. The need to get more people on to the register, because of the importance of trying to get a match, is not widely enough understood. The Government will spend about £4 million this year to help promote that and make it happen. However, all of us, in our constituencies and in our own ways, can promote the idea and encourage people to do as the hon. Lady says.

Mr Julian Brazier (Canterbury) (Con): May I draw my right hon. Friend's attention to the excellent paper that ResPublica published this morning, which seeks to build on the Government's initiatives both to build up cadet forces and to get more former military personnel

into schools as teachers? It proposes that we set up in some of most deprived communities military academies and free schools administered by the reserve forces and cadets associations.

The Prime Minister: I pay tribute to my hon. Friend, who does so much to speak up for our reserve forces and our cadet forces, which are incredibly valuable assets to our country. It is worth noting that this year the cadet forces will do a huge amount to try to save and preserve our war memorials from the appalling crime of metal theft that they have been suffering. I will look very carefully at the ResPublica report that my hon. Friend mentions. We should empower our cadet forces to expand and perhaps to go into parts of the country where they have not always been present. The link that my hon. Friend makes between them and schools is a very good idea, which we should promote and support.

Dame Joan Ruddock (Lewisham, Deptford) (Lab): My constituent Miss S, who is 32, has lived alone for eight years and was forced on to housing benefit because of redundancy. That benefit has just been cut by nearly 50%, to the shared accommodation rate. Which does the Prime Minister think is most likely: that her landlord will reduce the rent by 50% or that she will be made homeless?

The Prime Minister: I congratulate the right hon. Lady on her preferment in the new year's honours list. Although I profoundly disagree with many of the things that she has tried to do over her political career—mostly to disarm Britain one-sidedly—I praise her for her persistent efforts. No one can accuse—*[Interruption.]* I am sorry; let me answer the question very directly. As I understand it, all parties are committed to reform housing benefit. That was Labour's commitment before the election. The housing benefit bill is completely out of control. Labour's own welfare spokesman said last week that, at £20 billion, it was unacceptable and had to change. What we have seen so far, as housing benefit has been reformed and reduced, is that rent levels have come down, so we have stopped ripping off the taxpayer.

Mr Speaker: We now come to a statement by the Secretary of State for Health. Will Members who are leaving the Chamber do so quickly and quietly so that we may hear this very important statement?

Breast Implants

12.35 pm

The Secretary of State for Health (Mr Andrew Lansley): With permission, Mr Speaker, I would like to make a statement about PIP breast implants. The House will be aware that approximately 40,000 women in this country have had implants manufactured by the French company Poly Implant Prothese, and that these implants could have been made of a non-medical grade silicone gel. My concern throughout has been for the safety and well-being of all these women. I wish now to update the House on what happened; how we are looking after the women concerned; and the further actions required.

In 1997, PIP received a European CE mark for its silicone breast implants. The CE mark was overseen by the German notified body, TUV Rheinland. The Medicines and Healthcare products Regulatory Agency adverse incident centre received a number of reports annually about PIP implants. Based on such reports, in 2008, the MHRA raised its concerns with the German regulatory authorities and the manufacturer. The MHRA was reassured by the notified body that the number of adverse reports was adequately explained by changes in the company's reporting practices and by the increasing number of implants sold.

However, in March 2010, the French regulator discovered that rather than using medical grade silicone gel in the implants, PIP had in fact been using unauthorised silicone gel. This is in clear violation of the CE mark. The mark was promptly withdrawn and all EU member states immediately alerted. The MHRA immediately issued advice to stop using PIP breast implants in the UK. The French authorities are currently investigating this as a criminal matter, and the UK Government will help in any way we can with their investigation.

Initial toxicology tests in both France and the UK found no significant health risk to women with the implants. Also the MHRA could find no evidence of an increased risk of cancer. However, on 23 December 2011, following an increase in the number of reported ruptures, the French Ministry of Health announced that it was advising women, as a non-urgent precautionary measure, to consider having their PIP implants removed. The MHRA's advice was that there was no scientific basis for recommending routine removal of implants in the absence of symptoms.

The available data, however, were incomplete. For this reason, I asked Sir Bruce Keogh, the NHS medical director, to form an expert group and to review the available data, including information from the French authorities, and to offer more definitive advice. I received the group's interim report on Friday 6 January and a copy has been placed in the Library. I would like to thank the experts and members of the profession for their hard work and commitment in producing this rapid report.

The main findings of the expert group were, first, that there is no causal link between these implants and breast cancer. Secondly, the evidence on the rate of ruptures for PIP implants compared with other implants is incomplete and so this risk cannot be assessed definitively. Thirdly, although the rupture of implants or leakage of material can result in inflammation, there is no clear evidence that these problems are more serious in relation to PIP implants than other implants, or that they result in increased long-term health risks. Therefore, they have not recommended routine removal of the implants. Fourthly, there are risks inherent in the removal of breast implants, just as with any surgery, and these risks should be taken into account when taking any clinical decisions. However, for this particular group of women the risk is very low. Fifthly, the expert group recognises, as we have throughout, that women with PIP implants will be understandably concerned that they did not have the character of implant that they thought they did. The expert group advises, as we have, that we should give every woman an opportunity to secure advice, investigation and remedy.

The women who received the implants did so on the understanding that the implants met the requirements of the CE mark and were safe. That was not the case, and every provider has a responsibility to put things right. Although the majority of women will have received their implants privately, some—such as those who have had reconstructive surgery following mastectomy—will have received PIP implants through the NHS. All those patients will receive the highest possible standard of care. First, they will be contacted to inform them and give them all the relevant information and advice. Women who wish to will be able to speak to their GP or the surgical team that carried out the original implant to get advice on the best way forward for them. If the woman chooses, that could include an examination by imaging. If, when informed by an assessment of clinical need of the risks involved and the impact of any unresolved concerns, a woman decides with her doctor that it is right to do so, the NHS will remove and replace the implants, if the original operation was done by the NHS. Last week the NHS chief executive wrote to the service, and Dame Sally Davies, the chief medical officer, wrote to GPs and relevant health professionals. Copies of those letters are available in the Library.

It is right that those who received their care privately should also receive a similar level of service and reassurance from their care provider. However, I do not think it fair to the taxpayer for the NHS to foot the bill for patients who had their operation privately. Eight private health care companies, including Nuffield Health, Spire Healthcare and BMI, have confirmed that they will follow the same guidelines as those that I have set out for NHS patients. However, I want to be absolutely clear that the NHS will continue to be there to support any woman. If a clinic that implanted PIP implants no longer exists or refuses to remove the breast implants, where that patient is entitled to NHS services, the NHS will, in consultation with their doctor, support the removal of PIP implants in line with the guidance that I have just outlined. Any NHS service in that instance would cover only the removal of the implant, which would not include the replacement of private cosmetic implants. In such cases the Government would pursue private clinics to seek recovery of our costs.

These events highlight the need to ensure the safety of people having cosmetic interventions. It is clear from the information that we have received from the industry that the safety information that it collects and provides to the regulator is of variable quality. Without good data, we have no way of knowing when problems arise. I believe that there are a number of things that we now need to do. First, lessons need to be learned from this

case and incorporated into the ongoing review of the EU medical devices directive. I spoke to Commissioner Dalli yesterday, and can confirm that this European work is under way. We also need to understand what happened in this instance in the United Kingdom. A review for that purpose will be led by the Minister for Quality, Earl Howe, with expert advice, and will shortly put its terms of reference in the Library. That review will investigate and report rapidly. The blame for what happened lies with PIP, but the review will enable us to learn lessons to improve future regulatory effectiveness and will feed into the Commission's review.

In addition, the Care Quality Commission will conduct a swift review of private clinics. That review will look at evidence of compliance, patient safety and clinical quality, and the information and support given to their patients. Where a provider does not meet those requirements, the CQC has a wide range of enforcement powers that it can use to protect the safety of patients. The findings of that review will be published before the end of March.

Looking to wider issues of clinical safety and regulation, I have also asked Sir Bruce Keogh to reconstitute his expert group to look at how the safety of patients considering cosmetic interventions can be better ensured in the future. That will include treatments such as cosmetic surgery and dermal fillers. I expect his review to consider whether cosmetic products and interventions are appropriately regulated and have strong clinical governance; whether patients and consumers can be confident that the people who carry out procedures have the skills to do so; and whether the settings in which such procedures take place are able to ensure the care and welfare of people who use their services. That review will consider issues of governance, data quality, record keeping and surveillance, as well as ensuring that proper information is provided to secure patients' informed consent.

I expect the review also to include consideration of an outcomes-based register of frequently implanted devices, covering everything from breast implants to heart valves and replacement joints, in order to provide the United Kingdom with a valuable asset for further innovation and safety improvement. There is already considerable clinical support for such a comprehensive register. The Government's commitment is to provide effective reassurance and remedy for women with these implants, and also to learn the lessons to deliver safety and quality for the future. I commend this statement to the House.

Andy Burnham (Leigh) (Lab): I thank the Health Secretary for his statement, and for the steps that he is taking to help the thousands of women who have found themselves in this worrying situation. We welcome much of what he has just announced, including the further reviews that he has commissioned. I assure him that we will support him in his efforts to reach a resolution as quickly as possible for all those people who are affected, but I have to tell him that he has a lot of work to do, and a lot of ground to recover, as his response to date has not helped to build those people's confidence.

Over the Christmas break, the mixed messages coming from the Government did not go unnoticed. They only added uncertainty in what has been an anxious time for many people. The Health Secretary has gone from downplaying the dangers on 23 December to announcing an urgent review on new year's eve, then giving an inconclusive statement late last Friday evening. This has left the people affected struggling to make sense of what it means. For the vast majority whose implants were fitted privately, there was precious little practical advice or help from the Department of Health as they began approaching their private providers. Many women were unable to access their records or told that long delays would be involved. Others have been asked to pay large fees to access their records. Many have simply hit a brick wall when they have sought medical advice or removal, even where there is evidence of rupture.

What people needed at the earliest stages was a strong statement from the Government of what was expected of all private providers—namely, that records should be provided without delay and without charge; that consultations should be arranged when people were worried; and that removal should be arranged urgently when there was evidence of rupture. The reality is that the Government's failure to provide that leadership from the outset has left people fending for themselves in the face of a self-serving and unaccountable industry.

The Health Secretary was right, however, to establish an urgent review of the evidence by the NHS medical director, Professor Sir Bruce Keogh. We welcome the speed with which that review was conducted, and we echo the Health Secretary's thanks to the members of the review panel. We accept the Government's judgment on the advice to women regarding the removal of implants on the basis of the data that they have seen, but what confidence can we have in the evidence and data on which those decisions were reached?

We note the Secretary of State's public comments about the industry's failure to provide quality information in a timely fashion, and the interim report's finding that the evidence is subject to "considerable uncertainty". The review concludes that it should reconvene in "about four weeks time" to examine any new evidence, and to consider whether to update its recommendation on removal. I have to tell the Health Secretary, however, that that feels way too vague and ad hoc. May I press him to give a clearer timetable for this further process of review on whether to change the recommendation on removal? People need absolute clarity on when further statements will be made, so that they can make informed decisions. This is of course a separate matter from the long-term reviews that he has announced today.

This is particularly important in the light of the different decisions that other Governments are beginning to make in response to the situation. Yesterday, the Welsh Government announced that all women who received PIP implants, including those treated privately, will be offered replacement implants on the NHS. That is of course different from what the Health Secretary has announced today. What discussions did he have with his counterpart Minister in the Welsh Assembly Government before their announcement was made? Will he assure the House today that all the data that were available to Welsh Ministers and officials were also available to, and considered by, the Keogh review? Governments around Europe have responded sooner, more decisively and with greater clarity than the coalition has done. By contrast, people here have found the Government's statements in response to be both inconclusive and ambiguous.

[Andy Burnham]

We support the decision to help NHS patients to have PIP implants removed and replaced, but does the Secretary of State appreciate how that decision has added to the confusion that many people feel and was interpreted as contradictory to the review's overall finding? The clear implication of the Keogh review is that the best course of action is, in fact, to have the implants removed, but again no practical help was offered beyond the statements of expectation for private providers to match the support on offer from the NHS and the reference made to "moral duty".

I, too, commend the private providers, such as Nuffield, Spire and BMI, that have done the right thing by their patients, but in recent days we have heard how some of the leading cosmetic surgery clinics have simply ignored the Health Secretary's appeal. Transform, which used PIP implants on over 4,000 patients, has said that all women affected will have to pay £2,800 for removal, while the Harley Medical Group, which has 13,900 patients with PIP implants, has offered to pay for the cost of the new implant, but only if the NHS pays the far greater bill for the surgery. I am sure the whole House will agree that this is an appalling response to this situation, and that the failure of these companies to face up to their duty of care for their patients leaves everybody, including the Government, in a difficult position. It is simply unacceptable for any woman in England to be left in a position where she is worrying about her health and thus has no peace of mind, but is unable to afford to do anything about it.

I appreciate what the Health Secretary has said today about helping people out of this predicament. I agree with his decision where private clinics no longer exist, but in accepting that the NHS will provide private treatment where private providers refuse to, is he not in danger of letting those providers off the hook? May I remind him that most people will not accept that the NHS should subsidise the failures of private companies, and will look to him to pursue them to the nth degree to get any costs back? For instance, has he fully explored the insurance position of these private providers as a means of recovering costs? He says he will pursue them, but what assumptions has the Department of Health made about the likelihood of his success, and how much money is expected to be recovered? Has he fully explored the position of the French Government and considered whether there is any residual liability on the device manufacturer in that company?

Let me turn briefly to questions of regulation. Can we support what the Secretary of State said today about the wider review of regulation of the cosmetic surgery industry? If there are any loopholes, we will support him in closing them down.

Finally, the right hon. Gentleman's Health and Social Care Bill envisages a much expanded role for the private sector in the delivery of health care. I make no comment about that, but has he reflected on the Bill and revisited the assumptions behind it? Will he assure us that issues of quality and safety will be safeguarded in the NHS that he seeks to create? We want to be assured that he is giving careful consideration to all these issues, as he considers his response to this worrying situation.

Mr Lansley: I am grateful to the shadow Health Secretary for his welcome of my statement and the principles behind what we are setting out to do to look after the women affected by these implants.

I do not share the right hon. Gentleman's view that there were any mixed messages. I am sure he would have been the first to complain if I had not identified the lack of available and consistent data and not asked an expert group to look into this. As we look at countries across the world, we can be confident that we have set an exemplary standard in looking after women through the NHS and in bringing together an expert panel fully to understand what would be the best advice for women. The advice that no identified specific safety concern justified the "routine removal" of these implants was true on 23 December and it remains true today. As we have recognised from the outset and as I said on 23 December, if women are worried or concerned about the possibility of not having the implant they thought they had, that provides a perfectly reasonable basis on which to seek advice and investigation. It would be right for some women to ask for removal, but we should not assume that women are choosing to have these implants removed on the basis of clinical advice—even in France.

The chief medical officer spoke to a clinical counterpart in the Welsh Assembly Government before the publication of the expert group's work. I have made sure that they are informed, but I have to say that the Welsh Government made an announcement yesterday without previously informing us.

Paul Flynn (Newport West) (Lab): It's called devolution.

Mr Lansley: It may be called devolution. I respect the devolved Administrations and always inform them of what I am doing, where it is relevant to them. We do not recognise the advice that Wales received. Sir Bruce Keogh's expert group, which included some of the foremost experts in plastic surgery, made clear recommendations last week for patients in England and concluded that there was no significant increased clinical risk in cases where implants are not replaced.

If the shadow Secretary of State commends what the Welsh Government have done—*[Interruption.]* Perhaps he did not, but if he or anyone were to commend it, they would need to recognise that it runs the risk of letting the private providers off the hook. I am very clear that they should provide an equivalent standard of care. As the right hon. Gentleman made clear, there are limitations on what can be done. I do not have powers and I did not inherit powers to control what the private providers do in the private sector. I have to tell the right hon. Gentleman, however, that I have reflected on the Health and Social Care Bill, which is a positive legislative step forward. Just as it allows Monitor as a health and social care sector regulator, on which we are consulting, to look at the prudential regulation of private providers in social care, so it would allow us to consider the role of Monitor as a health sector regulator in licensing private providers of private health care. It is thus a positive not a negative step forward. There is no comparison, as the right hon. Gentleman will recognise, between the role of the private sector providing private care and the private sector in the NHS, which is subject to the same duties and obligations as an NHS provider. The Bill does not lead

to an increase in private sector provision, but in so far as there are private sector providers, they will be properly regulated in the NHS.

On the role of private providers, they may be insured and there may be warranties relating to these implants. We do not have data on this aspect, but I am clear that these providers have legal and, indeed, moral obligations. I particularly commend a letter issued this morning by the leaders of the profession—the two principal professional associations—to their surgical colleagues. Having talked about the standard of care in the NHS, the letter went on to say:

"Those working in the private sector are urged to support in similar fashion. We would hope that implanting surgeons would honour requests for replacement surgery free of surgical charge".

The private providers that have not made this offer to the women for whom they are responsible can see that their surgical associates are willing to carry this out free of surgical charge, so I see no reason why they should not now step up and deliver the standard of care that women have a right to expect.

Mr Stephen Dorrell (Charnwood) (Con): May I welcome my right hon. Friend's statement and the prompt action he has taken over the last few weeks to address this issue? Does he agree that the first priority when these concerns came to light was to ensure that the women who have had these implants had clear, authoritative advice based on the evidence of the right way to treat them, and that the process he established under Sir Bruce Keogh has provided and will continue to provide exactly that authoritative evidence-based advice? Does he further agree that there are some longer-term policy issues around the regulation of this industry that need to be addressed, but in a more considered way and not tied up in the emotions of this immediate concern?

Mr Lansley: I am grateful to my right hon. Friend and agree with all his points. I would add that when the French Government informed us of their prospective announcement—I spoke to the French Health Minister the day before it—we gave the best advice to date, based on the MHRA's knowledge of the toxicology tests and its discussions with the French regulator. What we have to do is to establish the extent to which surveillance of these implants over a number of years should have led to any different conclusion. It remains true, however, that there is no evidence of long-term health effects that would give rise—and would have given rise at that time—to a different recommendation from the one that we made.

Ann Clwyd (Cynon Valley) (Lab): This is not a new issue, as the Secretary of State must know. Twenty years ago I raised the case of a constituent who had to have a double mastectomy because silicon implants had leaked in her body. As a result, we set up an organisation called SOS—Survivors of Silicon. We worked with *Which?* magazine and the Department of Health, and we helped to set up the register of implants, which was unfortunately not made compulsory. That is why the data are missing.

This is part of a wider issue, of the proper regulation of the cosmetic surgery industry, 70% of which is virtually unregulated. I hope that the Secretary of State will insert an amendment into the Health and Social Care Bill to ensure that there is proper regulation of the whole industry.

Mr Lansley: I completely understand the right hon. Lady's point, but this activity is not unregulated. For example, the Care Quality Commission is responsible for the registration of providers, and for ensuring that they meet essential standards of safety and quality. However, for precisely the reasons cited by the right hon. Lady, I am asking Sir Bruce Keogh's group to consider wider issues relating to the regulation of cosmetic surgery and cosmetic interventions.

The registry to which the right hon. Lady referred was discontinued in 2004 because a substantial number of women were not consenting to the addition of their names to the register. I believe that, given the positive experience that has followed the establishment of the National Joint Registry, we can reassure women that their data can be entered without prejudicing their patient confidentiality.

I should make it clear that as yet we have no evidence demonstrating any significant difference between the rupture and leakage rates of PIP breast implants and those of other implants. Last June the American Food and Drug Administration published the findings of a study of normal implants, two of which had a 10% to 13% rupture rate over a 10-year period. It is important to appreciate that implants in themselves pose a distinct risk of rupture and leakage.

Dr Sarah Wollaston (Totnes) (Con): I welcome the clear commitment to putting women's health needs first in this context, but is not the heart of the problem the obvious conflict of interests for private clinics when it comes to the provision of long-term safety statistics? Will my right hon. Friend ensure that any future system allows women to self-report to the registry—albeit with a follow-up from specialists for confirmation purposes—so that we can have a complete picture of the long-term complications caused by devices of this kind?

Mr Lansley: My hon. Friend is right. When Sir Bruce and his colleagues are considering the establishment of a wider registry, they will consider not only the possibility of self-registration but the possibility of making clinical professionals responsible for the publication of such data. The responsibility should not rest solely on providers or manufacturers.

Barbara Keeley (Worsley and Eccles South) (Lab): I understand that a number of private clinics will not even scan a patient with PIP implants without charging. However, these goods were counterfeit. They were not of a medical standard, and they could be injurious to health. Should not the NHS be prepared to help women who must be worried sick, and perhaps cannot even afford to have a scan to reassure them? I cannot believe that the NHS would turn its back on a patient who was suffering after drinking counterfeit vodka, so why should it turn its back on these patients?

Mr Lansley: I am sorry that the hon. Lady framed her question in that way, because I thought I had made it clear that the NHS would always be there to support women. We will seek to recover the cost to the NHS if the original provider was a private provider: that approach has been adopted for years, and I am sure that it would have been adopted by my predecessors. No woman should have to feel that she will not be looked after, but I am

[Mr Lansley]

making a different point—namely that, in the first instance, women should be looked after by the original providers, who have a continuing duty of care. They also have legal obligations—as well as the moral obligations to which I have referred—but it is not for me to advise on those.

John Pugh (Southport) (LD): If the Government are paying for something that is needed, it is logical to assume that some private firms must be dodging their responsibilities. If those firms are not indemnified against the risks of surgery or willing to accept responsibility for its consequences, why on earth do we allow them to practise? Does the remedy not lie in our hands?

Mr Lansley: I entirely understand my hon. Friend's point. The position we have inherited is that I have no powers in relation to the provision of private health care by private companies. As I said to the right hon. Member for Leigh (Andy Burnham), the Health and Social Care Bill provides for the establishment of Monitor as a health sector regulator that will license such providers. I am not making any judgment at this point on whether it would be appropriate for conditions to be attached to such licences in relation to the continuity of service to patients, but it is one option that we can consider.

Chris Bryant (Rhondda) (Lab): May I suggest to the Secretary of State that the problems in the cosmetic intervention industry may be far more extensive than we have known thus far? A few years ago, I had my eyes lasered. I visited five clinics, four of which seemed to be trying to sell me an intervention rather than trying to do anything that would be in my general health interest. Will the Secretary of State add laser surgery clinics to his list, and also private dentists, many of which are encouraging patients to undergo operations that they certainly do not need?

Mr Lansley: I will reserve my position on dentistry, because there is a very wide range and cosmetic intervention constitutes a substantial proportion of overall dentistry activity, but I will happily consider whether there is an issue to be dealt with. As for laser eye surgery, I will ask Sir Bruce's group to consider not only the establishment of a registry in relation to implants and devices, but cosmetic interventions more generally. I hope that we shall be able to reassure the hon. Gentleman when we publish the terms of reference.

Several hon. Members *rose—*

Mr Speaker: Order. Before I call Margot James, let me wish the hon. Member for Rhondda (Chris Bryant) a very happy birthday.

Margot James (Stourbridge) (Con): I commend the Black Country Partnership NHS Foundation Trust on conducting 517 breast implant operations in the decade before 2008 without the use of a single PIP implant.

What this furore has revealed to me is the existence of a growing private sector offering a vast array of cosmetic surgery that extends well beyond breast implants. I fear that the need for tighter regulation of the industry will prove widespread, and I therefore welcome the Government's commitment to a review. Does my right hon. Friend expect to be able to charge the private sector for the costs of any additional regulation that the review group may deem necessary?

Mr Lansley: I am grateful to my hon. Friend for what she said about the NHS. I think that before considering whether there is a cost associated with regulation and how it might appropriately be met, we should consider what is necessary to assure patients of safety and quality.

Grahame M. Morris (Easington) (Lab): I welcome the statement, but may I caution the Secretary of State against placing additional burdens on the Care Quality Commission without providing it with additional resources? May I also urge him to heed the advice of my right hon. Friend the Member for Leigh (Andy Burnham), and pause to listen and reflect on what lessons can be learned and what safeguards can be provided for the future? I am thinking both of the protection of patients' safety and of future NHS liabilities when surgical procedures or treatments are carried out by the private sector, which is likely to become more frequent as the privatisation provisions of the Health and Social Care Bill are implemented.

Mr Lansley: For reasons that I have already explained, the hon. Gentleman is simply wrong about that. It is nonsensical to attempt—as the editor of *The Lancet* did this morning—to compare the regulation of private providers of private care with that of private providers of NHS care. There is no comparison at all.

The CQC will inspect a sample of providers of cosmetic surgery to check that they are meeting registration requirements, and will undertake a number of unannounced inspections as part of that. We expect the inspections to be completed by the end of the month, and expect the CQC to have published its report by the end of March. It has confirmed that it has enough resources to undertake the inspections within its existing budget.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): I add my support and thanks to the Secretary of State for what he is doing on this very important issue which has caused so much distress to so many women. Does he agree that this episode flags up a wider issue in the cosmetic surgery industry, in that some practitioners performing medical procedures do not have any medical qualifications or knowledge of anatomy? Does he also agree that it is a problem that there is no psychological counselling and that a holistic look at patients is not taken, as this is an on-demand industry? Finally, does he agree that there must be a proper paper trail and record system in the industry, so that we can consider what is in the best interests of patients and so that there is proper accountability for all providers?

Mr Lansley: My hon. Friend makes a number of important and perceptive points. It is, and will continue to be, one aspect of NHS advice that psychological assessment can form an important part in the management of patients referred for low-priority procedures, including cosmetic surgery. However, although we will look at cosmetic interventions and their regulation more widely, we must recognise that the issue in this instance related to what was a criminal act—seeking to adulterate the material in the implants. Many private providers were

using what they regarded as properly certified implants for a perfectly proper procedure. To that extent, they were not engaging in any improper behaviour. However, they have legal and moral obligations to their patients, and I am asking them to discharge those obligations.

Fiona Mactaggart (Slough) (Lab): It saddens me that, despite previous reports recommending more effective regulation of the cosmetic surgery industry, it has taken this crisis, causing so much distress to so many women, for the issue to be taken seriously. I am nevertheless glad that it is being taken seriously. Will the Secretary of State consider ensuring that people seeking cosmetic procedures must have independent counselling and advice from a body that will not make a profit from that procedure, and whose whole concern is the health of the patient?

Mr Lansley: I am grateful to the hon. Lady for that suggestion, and I will ask Sir Bruce's group to consider it.

Penny Mordaunt (Portsmouth North) (Con): I welcome the statement. What has the Secretary of State learned from this episode about the quality and take-up of routine insurance products offered by private companies to protect both patients and providers when cosmetic surgery goes wrong?

Mr Lansley: I am grateful to my hon. Friend for her welcome for the statement. Those seeking cosmetic interventions must ask serious questions about not only the nature of the procedure but the quality and reputation of the provider organisation, and ask it how it would protect their interests if things went wrong.

Sheila Gilmore (Edinburgh East) (Lab): The Secretary of State referred in his statement to the possibility that an organisation that had carried out operations had gone out of business. As there are long-term implications from such surgical interventions, has the Secretary of State considered instituting some form of levy or fund that would have to be paid into—nor do I want to let the private sector off the hook—so that if organisations go out business there would be a sum of money from which people could claim?

Mr Lansley: As I hope the hon. Lady will appreciate from what I said to the right hon. Member for Leigh (Andy Burnham), the Health and Social Care Bill introduces for the first time a comprehensive continuity of service regime for the NHS, and it also creates, through the health sector regulator, the potential for us to consider whether such continuity of service needs to be extended beyond the NHS.

Ian Swales (Redcar) (LD): If the NHS stands behind private providers in such cases, it is effectively providing free indemnity insurance. Will the Secretary of State look at the insurance position of providers of such services and ensure that the taxpayer does not face open-ended liabilities?

Mr Lansley: As my hon. Friend points out, to that extent the NHS has always stood behind the private sector provision of health care. If things go wrong, people have the right to access NHS treatment as they must be looked after on the basis of clinical need. Referring back to points I made earlier, the Health and Social Care Bill gives us an opportunity to look more systematically at continuity of care for patients both in the NHS and the private sector and at the responsibilities of providers under their licence.

Valerie Vaz (Walsall South) (Lab): I thank the Secretary of State for coming to the House and making this statement. How many clinics will the CQC be reviewing, and what will happens in respect of any clinics that are no longer practising? Presumably the CQC will not have access to their records.

Mr Lansley: I cannot tell the hon. Lady how many clinics the CQC will visit, but it will be a sample of providers, not all of them. As she may know from the material we published last Friday, there were 93 private providers. The operations were heavily concentrated in that a lot of them were carried out by a small proportion of providers, but about 87 other small providers, or even single-handed providers, are involved and accessing data from all of them will be difficult. I also recognise that, as the hon. Member for Edinburgh East (Sheila Gilmore) said, some may not be in business any longer, or there may be surgeons who have retired.

Paul Uppal (Wolverhampton South West) (Con): I also thank the Secretary of State for making the statement. Following on from a vein of questioning that has already been explored, will he elaborate on the point about the Government pursuing firms to recover costs and explain what mechanisms are available to the Secretary of State to recover costs?

Mr Lansley: I will do so to an extent. It depends on the nature of the legal contract between a woman and her private provider. I hope that in many cases the legal obligations derived under that contract or under sale of goods and services legislation will clearly mean that the woman will get redress from her private providers or her insurers. If the NHS becomes involved, there may be compensation through the injury costs recovery scheme, so if the NHS incurs costs, we can go on to seek to recover them.

Yasmin Qureshi (Bolton South East) (Lab): I thank the Secretary of State for his statement. As has been said, most of the cosmetic surgery industry is not regulated. What time frame are he and his staff working towards?

Mr Lansley: Given the nature of the work I am asking Sir Bruce Keogh and his group to undertake, it will take them some time to look at the range of cosmetic interventions and make any recommendations. They are coming together as rapidly as they can. Many of them have given up a great deal of time over the past two weeks to help us in this work. We must recognise that there are things we need to do rapidly to ensure that there is support and reassurance for any woman affected by PIP implants, and we are acting rapidly. There are lessons and wider implications to be learned. This particular area of cosmetic surgery was not without regulation. The question is to what extent things were properly regulated with surveillance and enforcement over a number of years.

Steve Brine (Winchester) (Con): I welcome the Secretary of State's statement. As he knows, I co-chair the all-party group on breast cancer and we will want to monitor how women are treated by the NHS and private providers, and we will certainly feed that into the Department. For women who have fought breast cancer and been through the trauma of reconstructive surgery, this will bring it all back and be tremendously upsetting. Does the Secretary of State therefore agree that speed is of the essence in respect of replacement surgery where it is wanted, so that those women can again put this nightmare behind them?

Mr Lansley: I am grateful to my hon. Friend and I completely recognise the points he makes. As he will know, the overwhelming majority of the approximately 3,000 women who had PIP implants through the NHS will have had them as breast reconstruction surgery following mastectomy. From day one, we were clear that we wanted all those women to be able to get advice, investigation and remedy, and removal and replacement, should they wish. If the NHS was responsible for the original operation, we will be responsible for the replacement with new implants, if that is what is wanted.

The NHS is very clear about this issue in the advice that was presented. I welcome the fact that my professional colleagues in the associations are making it clear that, through the NHS, replacement procedures for these women should be possible rapidly, but it should not prejudice the availability of urgent referral for cancer, which will continue to be an operational requirement in the NHS.

Ms Gisela Stuart (Birmingham, Edgbaston) (Lab): The question arises of access to records in both the private and NHS sectors. Is it not time to look again at who is the keeper of medical records? Should it not be the patient—therefore bringing together the NHS and private provision, where applicable—rather than the institutions?

Mr Lansley: Of course, as the hon. Lady knows, we have been thinking hard about precisely this issue. The NHS Future Forum made further recommendations to us only yesterday about achieving access for patients to their own records by 2015 across the NHS. The NHS should keep records, but the patients themselves should have access to them. We will pursue that issue in the NHS, although frankly, I am not in a position to mandate that in the private sector. However, any patient would be well advised to say, "Why can't I hold my own record from a private provider?"

Bob Blackman (Harrow East) (Con): I welcome the Secretary of State's statement, but PIP is not the sole supplier of breast implants across the industry. What assurances has he received from the industry that no other company has embarked on the practice of using non-medical grade silicon in its breast implants, so that women who have had such implants can feel safe?

Mr Lansley: I have no evidence of such behaviour on the part of other companies. My hon. Friend is right: PIP is only one of a number of suppliers, and in this country probably only one in seven breast implants were PIP implants. Other countries have looked at this, and across Europe the regulatory process should ensure the scrutiny of these implants, including proper testing. The European review must look at whether that surveillance, including unannounced inspections and appropriate testing, gives us the assurance we are looking for.

Heidi Alexander (Lewisham East) (Lab): Yesterday, I was contacted by a constituent who had PIP implants inserted by the Harley Medical Group in 2006. She said:

> "There is so much conflicting information at the moment, I feel as though I'm being pushed from pillar to post. To add absolute insult to injury nobody is keen on helping us, they are saying the NHS should help...or they say they will perform the procedures on us for an extra fee."

Can the Secretary of State tell me precisely what further representations he will be making to private providers to ensure that all women get access to the advice and treatment they need?

Mr Lansley: We have been very clear about the advice we have given to women, and I hope that, through the NHS, any woman in those circumstances would go and see their general practitioner, who will have full access, from the chief medical officer, to the expert advice we have disseminated. I know that the Harley Medical Group has not shared with others the view that it can match the NHS's standard of care; but given that, the professions are suggesting to surgeons that they should honour requests for replacement surgery free of surgical charge. I hope that gives a basis on which more of the private providers will now meet their full obligation of a duty of care.

Mr Philip Hollobone (Kettering) (Con): What is the Department of Health's central estimate of the number of women who have had breast implants through private clinics who will seek their removal through the NHS?

Mr Lansley: I am sorry to disappoint my hon. Friend but I cannot offer him such an estimate. We know that some 37,000 women had PIP breast implants. Clearly, not all those will necessarily want removal, and on advice, it might be any proportion of those; I cannot tell him what that figure would be. As we see in France, recommending the removal of implants does not mean that all women will have them removed.

Mark Durkan (Foyle) (SDLP): I acknowledge the Secretary of State's commitment to engaging proactively with the devolved Administrations on this issue. However, in his statement he used somewhat clumsy language regarding the third main finding of the expert group, saying that "there is no clear evidence that these problems are more serious in relation to PIP implants than other implants, or that they result in increased long-term health risks." Is he not concerned that, put so clumsily, that will not only fail to reassure those with PIP implants but extend concern and alarm to those who have received other implants?

Mr Lansley: I am afraid that absence of evidence does not mean evidence of absence. We can be very clear, on expert advice, that there are no specific safety concerns that routinely require the removal of these implants, nor identification of any increased long-term health risks, in precisely the way I have described. I cannot go further and provide, on advice, absolute assurance, and the expert group was clear about that. That is why the

French Health Minister, whom I was talking to last week, and I were clear that we should undertake additional toxicology tests on implants when they are explanted, in cases where they were implanted over a period of time, to begin to understand the extent to which they had adulterated filler material and what was in it.

Andrew George (St Ives) (LD): I commend my right hon. Friend's initiative. However, he said the following, which may have been sloppy wording: "those who have had reconstructive surgery following a mastectomy, will have received PIP implants through the NHS." Of course, the majority will not have done so, and I have confirmed with surgeons in Cornwall that PIP implants have never been used in the NHS in Cornwall. Given that the Medicines and Healthcare products Regulatory Agency issued advice to stop using PIP implants in the UK in March 2010, can the Secretary of State confirm that this advice was acted on, no doubt within the NHS but across private clinics as well?

Mr Lansley: I hope I did not say what the hon. Gentleman ascribes to me. Some 3,000 women, we think, had PIP implants, and of course, that is only a fraction of the number having breast reconstruction surgery. I think I can offer him reassurance. The MHRA withdrew authorisation in March 2010, and given that there was only one distributor of these implants in this country—Cloverleaf—they will not have been distributed for use after that date.

Toby Perkins (Chesterfield) (Lab): A constituent in Chesterfield contacted me who is at her wits' end. She has been in considerable pain since having a PIP implant fitted, and has been told by the private provider that she will have to pay £3,600 to have it replaced. What more can the Secretary of State do to ensure that her private provider follows the example of the other eight providers that are doing this free of charge? Let us put some pressure on these companies to make sure that all of them do the same as the NHS and replace the products they have fitted.

Mr Lansley: I think I have made it clear that not only the Government but, helpfully, the professional associations are looking to give no reason why private providers should not match that standard of care, especially if the implanting surgeons are willing to offer replacement surgery free of surgical charge themselves. It would be very helpful if the hon. Gentleman and other Members gave us details of such cases on behalf of their constituents. Clearly, his constituent will have had that implant before March 2010. The adverse incident centre has had 478 reports of ruptures over the whole period, which extends back many years. One of the things we want to understand as part of our review is why, if there were ruptures and, more to the point, adverse health effects associated with these implants, they were not disclosed to the adverse incident centre. As yet, we have not seen a range of health effects over a period of time that, in themselves, distinguish these implants from other, normal implants.

Mr Marcus Jones (Nuneaton) (Con): I contacted the Harley Medical Group on behalf of a concerned constituent this morning and was told that it would be making a decision on its response to this issue by Friday, although that is somewhat contradicted by the comments made by the shadow Secretary of State. Regardless of that, does my right hon. Friend not agree that the Harley Medical Group, or any other company, should step up to the plate, take full responsibility and work to make sure that it gives the people involved complete satisfaction, without any cost to the individual concerned?

Mr Lansley: My hon. Friend will understand that I cannot speak about the precise details of the situation with the Harley Medical Group. All I can say is that the group has told the media that it does not feel it can offer that standard of care completely, but that will have been before the professional associations wrote to their members asking them to support replacement surgery free of surgical charge. I know that the group has told members of the media that it is willing to offer to the Government that if we are responsible for the removal of implants, it will pay for implants to be available for replacement purposes. Frankly, if surgeons are willing to waive the surgical charge and the group is willing to pay for the implants, it is not too much to ask for it to be responsible for removal and replacement, where it is in the woman's best interests to do that.

Paul Flynn (Newport West) (Lab): Does the Secretary of State not regret failing to react to the call made last May for British patients to have the same protection against failures of all medical devices as that enjoyed in the United States? Is not the real scandal here, again, the chronic under-reporting by the industry and the MHRA of failures of devices and drugs? Is not the answer for this probe to look into the possibility of having a genuinely independent regulatory authority, instead of one that is entirely funded by the industry, because self-regulation is often no regulation?

Mr Lansley: The hon. Gentleman says that this body is entirely funded by the industry. It is true that in relation to pharmaceuticals the MHRA is funded by levies on the pharmaceutical industry, but much of the cost of the regulation of medical devices is actually met by the taxpayer. I regard the MHRA as operating in an independent fashion and its expert and scientific advice as independent from Ministers. None the less, as he says, the review that Earl Howe will lead will examine the lessons to be learned, including those about the effectiveness of regulatory surveillance and enforcement in this country, albeit that the regulatory failure occurred, in essence, in Germany, in the first instance, and in France.

Richard Burden (Birmingham, Northfield) (Lab): The uncertainty that many women face relates to not only the level of risk associated with PIP implants, but whether the implants they had fitted were PIP implants. I accept what other hon. Members have said about problems with record keeping in the private sector, and that needs to be taken up. The Secretary of State said that the estimated 3,000 NHS patients will be written to. If they are to receive such a letter, will he reassure them about when that will be?

Mr Lansley: The chief executive of the NHS wrote to the NHS bodies last week. As the hon. Gentleman will realise, the numbers concerned in each organisation will not be very large, so I am looking for what he describes to happen rapidly.

Mr Denis MacShane (Rotherham) (Lab): Will the Secretary of State send officials to investigate the Birkdale clinic in Rotherham and its executive, Mr Promod Bhatnagar? Scores of women have had PIP implants at the clinic and are now being told that they have to pay £2,900, in cash, to be screened and looked at again. Mr Bhatnagar has threatened groups in south Yorkshire with "unimaginable consequences" if they raise this issue. After his very unclear statement, will the Secretary of State finish by saying that as in every other European country, and standing with the women of Britain, taxpayers do not mind paying for a few hundred women to be properly investigated? My constituents have contacted me saying that the women of south Yorkshire should be able to go to their general practitioner, go straight into hospital and be seen to, and we should clear up all the fuss about bills afterwards.

Mr Lansley: I think I have been absolutely clear about what I expect to happen, in relation both to women treated through the NHS and what I expect of private providers. I have also made it clear that if private providers will not or are unable to meet that standard of care, the NHS is available to support women. It is absolutely wrong to say that we are somehow responding to women differently from other European countries, because across Europe countries affected by this are taking exactly the same view that we take.

Jim Shannon (Strangford) (DUP): I thank the Secretary of State for his statement and I again highlight the concerns that a great many ladies have. Just today, I have been made aware that constituents of mine, as well as those from other regions of the United Kingdom, have had PIP breast implants carried out privately in the Republic of Ireland. When they contacted the firm, they found that it had gone bust, so what help can he give ladies, both financially and physically, who were NHS patients in the United Kingdom but had operations carried out outside the United Kingdom, specifically in the Republic of Ireland?

Mr Lansley: I refer the hon. Gentleman to what I said in my statement: if women are entitled to NHS treatment in those sorts of circumstances, they should come to the NHS and we will provide the standard of care that I outlined.

Ian Mearns (Gateshead) (Lab): The Secretary of State has demonstrated his obvious concern for the women affected by this situation. Does he accept that they are gravely concerned about the difference of opinion that is emerging between Governments in the countries where these implants have been used, in particular, the difference between our Government's advice and that of the country where the implants were manufactured, France? Will he also reflect on whether companies in the private sector that are giving either cosmetic or other treatments of this nature to women are properly insured, so that even if they go out of business the insurer will cover women for future treatments should something go wrong?

Mr Lansley: On the hon. Gentleman's final point, I refer him to what I said earlier about how we might deal with that in the future. On the point about other countries, I have spoken to Commissioner Dalli and I have spoken to my French counterpart twice. What I want to be clear about is that the French authorities did recommend routine removal of implants, but from any individual woman's point of view we are, in effect, recommending that the same thing should happen: any individual woman should see the clinician responsible, should be examined—by imaging, if necessary—and should consider, in the light of that and in a clinical decision with her adviser, what is right for her. That will be true in France and in Britain. I wish to emphasise that we have not seen, on advice, scientific evidence that justifies the recommendation of the routine removal of these implants. We are not saying to women that we think they should have them removed; we are saying that women should have access to imaging. Clearly, women with symptoms, or women for whom evidence of rupture or leakage has been provided through imaging, may well choose to have the implants removed, and we would support that.

Trade Union Officials (Refund of Pay to Employers)

Motion for leave to bring in a Bill (Standing Order No. 23)

1.38 pm

Jesse Norman (Hereford and South Herefordshire) (Con): I beg to move,

That leave be given to bring in a Bill to provide that pay for hours worked on behalf of trade unions by trade union officials during hours when they are paid by an employer should be refunded to the employer by the trade union; and for connected purposes.

The Bill addresses an issue that has recently attracted great public attention: the funding by the taxpayer of public sector employees who in fact work not as nurses, teachers, social workers, local government officers or civil servants but as trade union representatives. It was raised in an Adjournment debate last year by my hon. Friend the Member for Cannock Chase (Mr Burley) and I pay tribute to him for that, to my hon. Friend the Member for Witham (Priti Patel) for her work in the area and to other colleagues for their support today. The number of my colleagues in the Chamber attests to the importance of this issue.

This is not an area where definitive information is available, because adequate records have not been kept. The facts so far, taken from freedom of information requests to some 1,300 public sector organisations, are as follows. In 2010-11, trade unions received £113 million from public sector organisations. If extended over the lifetime of a Parliament, that would amount to the extraordinary sum of more than half a billion pounds in payments. An estimated 2,840 full-time equivalent public sector employees worked for the trade unions in 2010-11, paid for by taxpayers. That is equivalent to 2,840 public servants whose work has to be done by others: teachers who are not teaching, nurses who are not nursing and social workers who are not assisting their clients. The Department for Work and Pensions alone has 308 full-time equivalent staff working on trade union activities paid for by taxpayers, while Her Majesty's Revenue and Customs has 181, to give just two examples. These facts are quite unknown to most people in this country and they deserve much wider publicity. It will be a source of huge anger to my constituents in Herefordshire, who must fill in their tax forms this month in very difficult economic times, to learn that they are subsidising nearly 200 tax officials who do no tax work at all—all the more so as under the previous Government the Revenue drastically cut back its office in Hereford.

It is important to be clear about one thing, however. The Bill is not about attacking the unions. The trade union movement in this country has an often distinguished history of supporting and protecting working men and women and their families. Many unions do very good work for their members today. I recognise these things and I welcome them. In a similar spirit, the House will know that I am a great supporter of co-ops, mutuals, credit unions and other organisations whose purpose is to empower and support people who are often on very modest incomes. The issue here is one of basic principle: is it appropriate for the taxpayer to subsidise any such large-scale activity by private organisations? If it is, should it be allowed without proper processes of competitive tender and public accountability? My own answer to these questions would be, in general, a resounding no.

Taxpayers' money should be spent, as far as possible, on the front line of public services. In general, private organisations should not be subsidised by the state. Moreover, the fundamental principle of no payment without accountability is already observed throughout the public sector in other areas. Public procurement is supposed to be competitive and transparent, and so is commissioning of services in the NHS and across local government. In exactly the same way, there should be proper transparency and accountability in public funding for trade unions.

I myself have just waged a long campaign to recover some £1.5 billion for the taxpayer on the private finance initiative—only a small portion, so far, of the money overspent by the previous government on PFI. In effect, PFI included a massive subsidy to the financial and construction sectors. The principle is exactly the same here: taxpayers' money should not be used to subsidise private organisations without proper transparency and accountability. Why should the unions be any different?

There is an important further argument. Subsidising the unions with taxpayers' money is not ultimately in the interests even of their own members. Indeed, it will tend to undermine the services those unions provide. All subsidies distort incentives. This subsidy encourages union leaders to lobby politicians for hand-outs, rather than focus on doing the jobs their members pay them to do.

Finally, taxpayer funding creates huge conflicts of interest. Inevitably, some union reps will be tempted to engage in political activity during time funded by the taxpayer. That was the problem with Ms Jane Pilgrim, the former nurse turned union rep at St George's hospital, Tooting, who denounced the Secretary of State for Health on the basis of a meeting she had never attended. That was politicking pure and simple, but the conflict between political activity and taxpayer funding would be removed if unions were required to refund public money received, as this Bill would demand.

Various defences have been made of such payments. It has been suggested that they actually save money, that union reps are needed for pay negotiations and that union reps must be employees, but those arguments entirely miss the point. The issue is not whether the unions provide valuable services, whether they should be paid for doing so or whether public servants may not also be union reps; the issue is why they should be paid in that role by the taxpayer.

There is a wider point as well, which is that of transparency itself. Last week, my office called seven of the biggest unions, asking for their latest financial reports and accounts as background research. The response was extraordinary. Some unions, such as the National Union of Rail, Maritime and Transport Workers and the Union of Shop, Distributive and Allied Workers, do not put this information online at all—USDAW kindly invited me to write to its treasurer with a request. Others, such as the NASUWT, make it available only to members. Unison had its 2009 statements online, and the National Union of Teachers had a summary. Only the Public and Commercial Services Union had a full recent report and accounts online.

[Jesse Norman]

Matters only become murkier on further investigation. The unions are regulated by the relatively little-known certification officer, who requires them to file an annual return. In the case of Unite, that reveals that the union had income in 2010 of £141 million and made a pay-off of more than half a million pounds to its outgoing joint general secretary, Derek Simpson—

Mr Denis MacShane (Rotherham) (Lab): Is this in order?

Mr Speaker: Order. Stop the clock. The right hon. Member for Rotherham (Mr MacShane) should behave not like a trainee rabble-rouser but rather like the elder statesman that at his best he can be.

Jesse Norman: Astonishingly, there is no management report in Unite's annual return, no historical comparison of income and expenditure, no discussion of the year's activities, no analysis of the current environment or future prospects, no biographies of senior officials and not even any photographs. The impression given by that annual return is one of contempt for the union's membership. Members should ask themselves what would be required if Unite were a charity like, to choose an example at random, the Sheffield Hospitals Charity. Its annual report and accounts is a model of detailed and clear presentation, full of information about the organisation, its people and its work. There is a very clear sense of public commitment and purpose. Its page on the Charity Commission's website is packed with accessible information and graphics, but there is nothing especially unusual about that report and accounts or that disclosure. It is simply that the standards for public disclosure and the standards of treatment for donors are much higher for charities than for unions.

The Sheffield Hospitals Charity had income last year of just £2 million; Unite is 70 times larger. It is Britain's biggest union, with more than 1.5 million members, and wields enormous political power. If this is how it treats its membership and the taxpayer, the case for greater union accountability and for more transparent regulation could hardly be clearer. I commend the Bill to the House.

1.48 pm

John Healey (Wentworth and Dearne) (Lab): This Bill attacks the most basic and most benign feature of trade union work—the day-to-day support for staff at work by their colleagues who are prepared to volunteer as trade union representatives.

Last time, the attack was led by the hon. Member for Cannock Chase (Mr Burley) in this Chamber. I had thought he might be detained elsewhere. I have to say to the hon. Member for Hereford and South Herefordshire (Jesse Norman) that I am surprised to hear him attempt to bring in this Bill. He is gaining a growing reputation for hard work and intelligent comment, but his speech was a cheap-shot speech based on ignorance, ideology and inaccurate briefings from the TaxPayers Alliance. He talks about trade union accounts and public service, but the Bill is a broadside against trade union organising in both the public and the private sectors. It is a personal attack on around 200,000 people who are ready to help their colleagues by giving advice, by supporting them at grievances and discplinaries and by negotiating with managers. That is difficult and demanding work, but many of those representatives are also ready to take on extra, special responsibilities for improving health and safety, equality, training and environmental standards.

The Bill is a personal attack on people such as Kevin Maggs, a GMB learning representative at A & P ship repairers in Cornwall. He organised open learning days for his colleagues at work and encouraged them on to courses. He says that some of them have been able to gain qualifications for a job they have done for years, whereas others have been able to understand their pay slip for the first time because of their improved literacy and numeracy. The hon. Member for Hereford and South Herefordshire might not be able to understand that, but Ministers do. Let me quote the Minister for Further Education, Skills and Lifelong Learning, who said last year:

> "I want to pay tribute to union learning reps, who have made so much difference to so many lives, and to such effect. Trade unions can play an invaluable and immeasurable role in improving skills in the workplace."

That is why the Government are rightly investing £33 million to support union learning. It is part of the £110 million condemned by the TaxPayers Alliance.

Many trade union reps rightly receive paid time off from their other work to carry out those duties. Many also devote much of their own time to that work. A recent Government survey showed that reps in the public sector contribute up to 100,000 unpaid hours each week to carry out their duties. Our union reps are the unsung heroes of the long, proud British tradition of volunteering. They are the workplace wing of the Prime Minister's big society. There should be receptions in Downing street to pay tribute to their work. They support their colleagues and they save employers and the Exchequer millions of pounds each year by reducing the number of employment tribunals and days lost through illness and injury. By improving productivity and training, they help organisations to get through periods of great pressure and great change. I looked at the new year's honours list this year and saw there were hundreds of civil servants, charity workers and business people on it—especially civil servants—but I found only one person, Mr Charles James from Leeds, who was honoured for the service he has given to his union and to his community. We should see many more ordinary workplace reps being honoured in future like Mr James.

I think that the House will have recognised that the hon. Gentleman did not quote one single employer. Employers are not calling for this attack; it does not even feature on the CBI's 11-point checklist of curbs it wants to see on trade unions. Many of our biggest and best British companies work with trade unions and recognise them—Rolls-Royce, Tesco, Virgin Media, Odeon cinemas, the HSBC bank and Jaguar Land Rover. Those names are known worldwide and those companies know the benefit of working with trade unions and know the benefit of trade union representation.

If we accept that employers as well as employees benefit from union representation, it is entirely right to expect employers to make a contribution towards the cost. That is why the hon. Gentleman's Bill is wrong. Let me say one final thing to him and his colleagues. Many trade unionists voted Conservative at the last

general election—too many—and some even voted Lib Dem. They do not deserve this and the Bill does not deserve support from any part of this House.

Question put (Standing Order No. 23).

The House divided: Ayes 132, Noes 211.

Division No. 419] **[1.55 pm**

AYES

Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Baker, Steve
Baldwin, Harriett
Baron, Mr John
Binley, Mr Brian
Blackman, Bob
Bradley, Karen
Brine, Steve
Bruce, Fiona
Burley, Mr Aidan
Byles, Dan
Campbell, Mr Gregory
Carswell, Mr Douglas
Chishti, Rehman
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Colvile, Oliver
Crockart, Mike
Davies, David T. C. *(Monmouth)*
Davies, Philip
Dinenage, Caroline
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Drax, Richard
Ellis, Michael
Elphicke, Charlie
Eustice, George
Evans, Jonathan
Field, Mark
Fox, rh Dr Liam
Freer, Mike
Fullbrook, Lorraine
Gale, Sir Roger
Garnier, Mark
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Gray, Mr James
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Harris, Rebecca
Hart, Simon
Heaton-Harris, Chris
Henderson, Gordon
Hinds, Damian
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Jackson, Mr Stewart
Jenkin, Mr Bernard
Johnson, Gareth
Jones, Mr Marcus
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Latham, Pauline
Leadsom, Andrea
Lee, Dr Phillip
Leigh, Mr Edward
Lewis, Brandon
Lewis, Dr Julian
Lilley, rh Mr Peter
Lopresti, Jack
Lord, Jonathan
Lumley, Karen
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McPartland, Stephen
Mercer, Patrick
Metcalfe, Stephen
Mills, Nigel
Mordaunt, Penny
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Murray, Sheryll
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Paisley, Ian
Parish, Neil
Pawsey, Mark
Percy, Andrew
Phillips, Stephen
Pritchard, Mark
Raab, Mr Dominic
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robertson, Mr Laurence
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Sandys, Laura
Shannon, Jim
Simpson, David
Smith, Henry
Spencer, Mr Mark
Stevenson, John
Stewart, Bob
Stewart, Iain
Sturdy, Julian
Syms, Mr Robert
Tomlinson, Justin
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Walker, Mr Robin
Weatherley, Mike
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wollaston, Dr Sarah
Zahawi, Nadhim

Tellers for the Ayes:
Matthew Hancock and Guto Bebb

NOES

Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, Heidi
Ali, Rushanara
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Beith, rh Sir Alan
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bruce, rh Malcolm
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Corbyn, Jeremy
Crausby, Mr David
Creasy, Stella
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
George, Andrew
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Halfon, Robert
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hemming, John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hood, Mr Jim
Hopkins, Kelvin
Horwood, Martin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Jones, Graham
Jones, Helen
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Lavery, Ian
Lazarowicz, Mark
Leech, Mr John
Leslie, Chris
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis

Mactaggart, Fiona
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Munt, Tessa
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Reed, Mr Jamie
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Rogerson, Dan
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Russell, Sir Bob
Sanders, Mr Adrian
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Smith, Sir Robert
Spellar, rh Mr John
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Timms, rh Stephen
Twigg, Derek
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whitehead, Dr Alan
Williams, Hywel
Williams, Mr Mark
Williamson, Chris
Willott, Jenny
Wilson, Phil
Winnick, Mr David
Wishart, Pete
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Noes:
Valerie Vaz and Sheila Gilmore

Question accordingly negatived.

Opposition Day

[UN-ALLOTTED DAY]

Rail Fares

2.7 pm

Maria Eagle (Garston and Halewood) (Lab): I beg to move,

That this House believes that the scale of increases to rail and bus fares and the high cost of fuel are significantly increasing the transport sector's contribution to the cost of living crisis facing households up and down the UK; notes that, despite the Chancellor's announcement in his Autumn Statement that rail fares would rise this month by 1 per cent. above inflation, many commuters have found their tickets have gone up by as much as 11 per cent.; recognises that this is a direct result of the decision to give back to train companies the right to add a further increase of up to 5 per cent., resulting in the cost of getting to work rising to more than the cost of monthly mortgage or rent payments for many families; notes with concern the National Audit Office's warning to the Department for Transport that higher rail fares are likely to lead to higher profits for train operating companies; deplores the Government's decision to levy even higher increases of 3 per cent. above inflation for 2013 and 2014; and calls on the Government to end the right of train companies to increase regulated tickets by more than the cap set by Ministers, so as to prevent fare increases of up to 13 per cent. that could otherwise hit passengers in each of the next two years.

This has not been a happy new year for many commuters. Having been promised by the Chancellor in his autumn statement that he was keeping increases in rail fares at just 1% above inflation, many had a nasty shock as they returned to work last week—not fare rises of 1% above inflation, but increases of up to almost 11%. Season tickets between Chester and Crewe are up by 10.6% on a year ago, and tickets between Llandudno and Bangor hiked by the same double-digit increase, 10.6%. Return tickets are also up—Exeter to London, for example, up by 9.6%, Cardiff to London by 9.7% and Plymouth to London by 9.7%.

But what did the Chancellor tell the House in November? He said:

"RPI plus 3% is too much. The Government will fund a reduction in the increase to RPI plus 1%. This will apply across national rail regulated fares, across the London tube and on London buses. It will help the millions of people who use our trains."—[*Official Report*, 29 November 2011; Vol. 536, c. 810.]

He was right—it would have done, except that the Chancellor forgot to say that his Government had quietly given back to train companies the right to add up to another 5% on fares, provided the increases averaged out at the cap that he had set, giving the train companies back the right to fiddle the fares.

Mr John Redwood (Wokingham) (Con): Given that we all would like lower rail fares, does the hon. Lady think that there should be a bigger Treasury subsidy out of taxpayers' pockets in order to achieve that?

Maria Eagle: Our position is that we would have continued in this Parliament, as we did in 2009, to put a stop to the power train operating companies have to fiddle the fares—

Stephen Hammond (Wimbledon) (Con): Will the hon. Lady give way?

Maria Eagle: If the hon. Gentleman will allow me to finish answering the last intervention, I might get around to giving way to him. As the previous Labour Transport Secretary made clear, we would not have given back to train operating companies the power to fiddle the fares by hiking them by more than the cap on the most profitable routes and getting away with it by introducing much lower increases on the routes that do not rake in the cash. That is something we put a stop to in government once times got tough.

The Minister of State, Department for Transport (Mrs Theresa Villiers): Will the hon. Lady give way?

Andrew Gwynne (Denton and Reddish) (Lab): Will my hon. Friend give way?

Maria Eagle: I will give way to the Minister, who I expect will be winding up the debate, and then to my hon. Friend.

Mrs Villiers: The hon. Lady claims that Lord Adonis, a previous Transport Minister, would have continued the suspension of the fares basket, but the reality is that he did not renegotiate that with the train operators; he negotiated for a one-year contractual suspension. If he had intended to carry on with that, he would have negotiated the period into the franchises, but he chose not to.

Maria Eagle: The right hon. Lady is wrong to say that there was no intention to continue with that. She can try to rewrite our policy as much as she wishes, but my noble Friend Lord Adonis made it perfectly clear in oral and written evidence to the Transport Committee that the ban on flex would continue into subsequent years, and that remains our policy.

Andrew Gwynne: My hon. Friend is right to point out that it was the previous Labour Government who got rid of train operating companies' ability to fiddle the fares. Was she as astounded as I was at the lack of knowledge displayed earlier by the Prime Minister, who did not even know that it was his Government who had reinstated the right for those companies to clobber hard-working commuters?

Maria Eagle: I must say that I was quite surprised that the Prime Minister did not seem to have that information. It was only after my right hon. Friend the Leader of the Opposition had asked him three times that the Prime Minister managed to claw his way towards an accurate answer, but that is what we have come to expect from him.

Dr Julian Huppert (Cambridge) (LD): While we are discussing the rewriting of policies, what message would the hon. Lady give to a previous Transport Secretary who in 2007 allowed Stagecoach South West to raise fares by 20%, or indeed to the Transport Secretaries who allowed that to happen in the 10 years before that? Does she agree that that was a huge mistake and that fares went too high?

Maria Eagle: If the hon. Gentleman will wait, I will move on to say a little more about our current policy thinking later in my speech.

Mr David Evennett (Bexleyheath and Crayford) (Con): Will the hon. Lady give way?

Maria Eagle: I will give way, but then I must make some progress, because the debate already has to be shorter than we had hoped.

Mr Evennett: I am extremely grateful to the hon. Lady and am listening to her with great interest, but she is attempting to rewrite history. Does she feel any guilt about the huge fare increases that took place under the Labour Government, because commuters in my constituency had a really rough time?

Maria Eagle: The reality is that when the previous Government saw what train operating companies were doing with the power that flex gave them to game the system and clobber some commuters far more than others, we banned it. This Government have reintroduced it. Times are still tough and the Government should not have caved in to pressure from train companies, but they seem to be unwilling, or perhaps incapable, of standing up to vested interests on behalf of commuters, who are now paying the price. I have made it clear that we would have strictly enforced the 1% above inflation cap and not allowed the increases of up to 11% that commuters have faced at ticket offices since the new year.

The Secretary of State for Transport (Justine Greening): Perhaps the hon. Lady would like to finish the other part of her phrase, which is that she would not have allowed rises of above RPI plus 1%, just as she would not have allowed below RPI plus 1% flexibility. Will she confirm that that is the position and that many commuters would face fare increases under her proposals?

Maria Eagle: What we are not seeing from train operating companies or the Government are proposals to reduce fares. The technical position is of course that if an average cap is applied to each fare, the fare rise will apply to each fare. The Secretary of State is right about that, technically speaking.

Ms Karen Buck (Westminster North) (Lab): On the commitment to reduce fares, is my hon. Friend aware that the Labour candidate to be Mayor of London intends to bring forward a package to reduce fares, given that Boris Johnson's increase in the cost of a zones 1 to 4 travelcard equals a 21% rise, despite the fact that Transport for London has a £729 million operating surplus? The Labour party has a commitment to cut fares.

Maria Eagle: I am aware of that and thank my hon. Friend for making that point. At least Labour's candidate understands how hard it is for ordinary, hard-pressed commuters to afford the kind of fare rises that the Government are not only allowing, but promoting. It is no good Ministers hiding behind the deficit, because this is not a simple case of bringing additional money into the Treasury; it is also about bringing additional money into the profits of private train companies. The National Audit Office report on the Department for Transport's spending settlement warned:

> "There is a risk that the benefit of the resulting increase in passenger revenues will not be passed on to taxpayers fully, but will also result in increased train operating company profits."

High fares equal increased profits in an industry that relies on subsidies of more than £4 billion of taxpayers' money every year. It is no wonder passengers in Britain

[Maria Eagle]

are paying three and a half times more for their rail tickets than those in France, Germany and Holland, all countries that do not have the costly and fragmented rail industry structure that is the legacy of the Tories' botched privatisation of our railway industry. The French, German and Dutch state railways are so successful that they are now bidding for and winning franchises to run rail services in Britain. The Government are step by step nationalising our rail services—it is just that it is not our nation. The profits will be helping to keep down fares in France, Germany and Holland for their own domestic passengers. It is no wonder that fares are so high under our broken system.

Therefore, we would enforce a strict cap on fare rises, but I believe that we need to go further and make fares fairer. Because the system has lost all credibility, passengers feel ripped off and know that they are being ripped off. They feel that the system does not work in their interests and that it is designed to catch them out. That is what I have been told by passengers as I have travelled across the country over the past year. In addition to getting spiralling rail fares under control, here are five other ideas that passengers have said would make a real difference. First, why is there no single national definition of peak time? Why are train companies allowed to set different rules so that passengers have to know precisely which company they are travelling with or risk facing a fine for travelling on the right ticket at the wrong time? Why are the companies allowed to chop and change peak time, stretching it out simply to hike their profits?

Mrs Villiers *rose—*

Dr Huppert *rose—*

Maria Eagle: I have already given way to the right hon. Lady and to the hon. Gentleman, so I will make some progress in my speech. At the very least, rail passengers would like tickets to state clearly the precise time restrictions that apply instead of simply being referred to some obscure part of a website that they do not have access to when purchasing a ticket.

Paul Maynard (Blackpool North and Cleveleys) (Con): Will the hon. Lady give way?

Maria Eagle: I want to make a few points about what I have heard from passengers and will try to give way to the hon. Gentleman later.

Secondly, passengers want a legal right to be offered the cheapest ticket for the journey they wish to make, and they do not think that it is too much to ask that the cheapest fare must be clearly advertised. Should passengers not be entitled to a refund if they have not been sold the cheapest ticket?

Under this Government, it is to become harder to buy the cheapest ticket if plans to replace staff with machines and close all 675 category E station ticket offices are implemented, yet that is what Ministers are considering, along with cutting the opening hours of 302 category D station ticket offices. All the evidence suggests that many people are not sold the cheapest ticket when they buy a ticket online or from a machine.

Thirdly, passengers have told us that they want the cheapest fares to be available wherever tickets are sold, yet the cheapest fares often appear to be available only online. Should not the same fare structure apply to tickets purchased at train stations and other outlets as applies to those bought online, ending the digital divide that is arising and increasing costs for older passengers, in particular?

Fourthly, what really annoys rail users is when they make a genuine mistake or are forced to change their travel plans but find themselves treated as a common criminal in front of other passengers and required to get out their cheque book and cough up. Of course we have to protect revenue, but we also have to have some common sense. Within the same period of the day, there has to be greater flexibility to vary plans, even on pre-booked tickets. Trains are not airlines, and we do not wish to go down the road of airline-style ticketing, with no cheap walk-on option.

Finally, passengers told us—

Alok Sharma (Reading West) (Con): Will the hon. Lady give way?

Maria Eagle: If the hon. Gentleman will just let me get to the end of my points, I may give way to him.

Finally, passengers told us that they understand that sometimes a track has to close, such as for essential work, to keep our railways safe, but when a rail replacement service makes their journey longer, often adding considerable inconvenience, they want to know why their ticket costs the same. They can apply for a discount if their train is delayed, but not if it turns out not even to be a train and ends up being a bus.

Those are all ideas that we are looking at seriously, because for too long Governments have let the train companies get away with treating passengers in a way that would not be permitted in other industries.

Paul Maynard: Is the hon. Lady seriously arguing that peak hours on the west coast main line should be the same as those on Merseytravel lines?

Maria Eagle: I am arguing that it is important to have a national understanding of peak hours, so that passengers are not clobbered and do not have to wait until what seems like a long time after normal peak hours in order to get on a train home. That would be an improvement, and it would clarify the system. People would not be caught out as they frequently are, and they would not be inconvenienced by having to wait for hours after their meeting has finished in order to get on a train home.

If this Government are not going to stand up to the train companies and take on vested interests, we will. Those are all ideas that we are looking at seriously.

Charlie Elphicke (Dover) (Con): Will the hon. Lady give way?

Maria Eagle: No, I am going to make some progress.

Alok Sharma: On that point?

Maria Eagle: I said that I am going to make some progress.

For too long, Governments have let the train companies get away with treating passengers in a way that would not be permitted in other industries. The previous Transport Secretary described rail fares as eye-watering and rail services in Britain as a "rich man's toy", yet he failed to understand that the policies of his own Government are making the situation worse.

Alok Sharma: Will the hon. Lady give way?

Maria Eagle: No.

Next year's fare increases are set to be even higher—not 1% but 3% above inflation, with the same again in 2014. Unless the Government are willing to stand up to the train companies, and unless they are willing to take on the vested interests and remove the right to add another increase of up to another 5% on top of this year's so-called cap, commuters next year will face fare rises of up to 13%, with another 13% the year after. That is happening at a time when average incomes are plummeting. Over three years, some tickets will rise by almost one third as people's real incomes fall by 7.5%, yet the Government seem completely out of touch with the impact of that on households.

Season tickets are heading rapidly towards £10,000 a year on some routes into London once underground travel is included; families are now paying more on commuting costs than on the mortgage or rent; and ticket price rises are outstripping wage increases several times over, if people are fortunate to see a wage increase at all. That is the cost-of-living-crisis facing households throughout the country. Rent levels are going up; energy and water bills are rising relentlessly; bank charges are extortionate, as the cost of living means overdraft limits are breached; and the cost of transport is rising.

Justine Greening: I am listening very carefully to the hon. Lady, who is raising what we all recognise as important issues, but I want to double check something, because earlier in her speech she talked about getting more money into Government coffers through the RPI plus 5% flexible policy. Does she recognise that the policy she is announcing today is a spending commitment? If so, how does she set it against what her shadow Chancellor said yesterday, when he stated:

"I can say to you unequivocally we can make no commitments to reverse any of the Government's tax rises or spending cuts"?

Maria Eagle: I do not know the spending commitment to which the Secretary of State says I have referred, because there is no spending commitment, and it is complete nonsense for her to say that there is —*[Interruption.]* I understand her point, but if she wishes to try again I will give way.

Justine Greening: Clearly, the money for that policy has to come from somewhere, and it is from the taxpayer. The hon. Lady obviously accepts that point, so the policy is a spending commitment. Will she simply confirm the reality of that?

Maria Eagle: What I have said is that we would stop the operation of the flex system, as the Secretary of State's Labour predecessor did. We said before the election that we would do so, but the Government have reversed that policy, and commuters are being clobbered as a result. That is quite clear.

Charlie Elphicke: Will the hon. Lady give way?

Maria Eagle: No. This is a shortened debate, and I want to give people time to make their speeches, so I hope that the hon. Gentleman will forgive me if I make some progress. I have already spoken for a little longer than I would have hoped, and that is partly because I have taken interventions.

The Government need to be tougher not just on train companies, but on private bus operators. While train fares grab the headlines, most people's experience of transport is in fact the local bus. For many, the bus is a lifeline: for those without a car; for older people who no longer drive or may never have done so; and for our young people, for whom the bus is their only way to get around, especially if mum or dad do not have a car or work all hours. Yet quietly, and without much fanfare, throughout the country there is a catastrophe facing bus services, with services being cut and fares rising. Again, that is thanks to decisions made by the Government. Their unwillingness to take on the vested interests in our transport industry is holding back the reform that is required.

In the spending review, the Government have made three decisions that have hit bus services. First, they have cut councils' local transport funding by 28%—and front-loaded it. that has meant the end of support for many subsidised routes, and the end of ring-fencing has placed further pressure on councils—*[Interruption.]*

Madam Deputy Speaker (Dawn Primarolo): Order. It really is not necessary for the Secretary of State to keep shouting across the Dispatch Box. She is about to address the House, and I am sure that she expects everybody to listen to her as well.

While I am on my feet, I must say that increasingly in the Chamber there is the behaviour whereby Members shout and heckle constantly when somebody else is speaking, and it is not really acceptable, so I hope that Members will stop it.

Maria Eagle: The end of ring-fencing has placed further pressure on councils to divert funds from bus services in order to protect other front-line services such as Sure Start or social care budgets.

The Government's second decision has been to cut the funding available to bus companies in order to reclaim some of their fuel costs, particularly in rural areas where otherwise they would simply not run the service. Thirdly, the Government have changed the formula by which local authorities are reimbursed for the cost of delivering the concessionary fares scheme for older people, leaving councils with a funding shortfall that has led to new restrictions on when passes can be used, and to cuts in services.

On the impact, the Campaign for Better Transport calculates that one fifth of supported bus services throughout England now face the axe; more than 1,000 bus services have already been lost; and many surviving routes have seen fares hiked significantly.

The Public Transport Executive Group, which represents all the passenger transport executives, serving 11 million people throughout the metropolitan areas of England, calculates that as a result of the Government's policies bus usage and patronage will decline by 20%, fares will increase by 24% above the rate of inflation and the added congestion alone will cost £68 million.

[Maria Eagle]

Ministers fail to understand that, when they cut a bus route, they cut an opportunity for young people to stay on in education, for people to travel further afield to take up employment, and for older people to remain connected to family and friends, with all the quality of life and, even, mental health benefits that that can bring. That impacts not only on those who rely on their local bus services, but on our ability to reduce the deficit. When those who want to travel further to take up work find that they cannot afford to do so or that the bus service is no longer there, those opportunities simply cannot be taken up. Young people who get the grades that they need to give them a chance in life and to find a good job will find that they simply cannot get to where they want to go for work or to continue their education.

The Government have said that those who are out of work should be willing to travel for up to 90 minutes to take up a reasonable job offer or else lose their jobseeker's allowance. However, they are also taking away the only affordable means for people to do so. That is a total failure of joined-up government.

The Government are telling young people to stay on in education post-16, yet they have not only axed the education maintenance allowance, but failed to protect the local bus services that enable young people to get to college. The scale of the cuts faced by councils is leading to restrictions on concessionary fare schemes for young people. Some councils are telling us that they may have to axe schemes altogether. It is no wonder that the UK Youth Parliament chose to debate the need for cheaper fares and more accessible public transport for all young people during its annual sitting in this Chamber, following a vote by 65,000 people across the country.

The Association of Colleges has warned of a drop in further education enrolment and 60% of colleges have reported a drop in transport spending by their local authority. On average, students travel between 9 and 35 miles to get to college, with 72% of them relying on the bus to get there. That is another total failure of joined-up government. The consequence will be added pressures on family budgets or young people simply being unable to take up the opportunities that they need to reach their potential. That is a tragic waste for those young people. It is an idiotic policy because it will lead to higher welfare costs and less tax take in the future. It is a knee-jerk cut that will make it harder to reduce the deficit.

Cuts to school transport support for younger pupils are adding to the burden on families, with parents struggling to afford the fuel costs of the school run or having to juggle getting children to school with getting to work. Figures obtained by the Campaign for Better Transport show that council spending cuts have led to almost three quarters of local education authorities making cuts to school transport.

The loss of bus services has also had a devastating impact on older people. Despite the Prime Minister's election pledge on the free bus pass that we introduced in government, he has axed £223 million from the scheme in this year alone. That has an impact on the viability of many bus services. Do not take my word for it; Tory-controlled Norfolk county council is leading the campaign for fair funding from the Government for concessionary fares. It has support from councils in Cumbria, Somerset and Devon, all of which have Tory leaders. Norfolk alone has calculated a £4.5 million shortfall in funding for the concessionary bus scheme. Up and down the country, pensioners are asking what is the point of a free bus pass if there is no bus. The Prime Minister has failed to honour the spirit of his election pledge and has left many older people isolated.

Dr Huppert: Will the hon. Lady give way?

Maria Eagle: I hope that the hon. Gentleman will forgive me, but I have given way to him once and I need to conclude.

The issue is not only about the level of spending; we need the proper regulation of bus services, not least when they rely on public subsidy. Having made these cuts, the Government are powerless to influence bus fares or to protect bus services because they are unwilling to stand up to the private bus operators and to take on the failure of bus deregulation outside London. In London, we have control over fare levels and we can regulate bus routes, or we could if we had a Mayor of London who was not choosing to let bus fares spiral out of control. It is time to consider the right way to reverse bus deregulation across England. We should give new powers to local communities to deliver bus services in the way that best suits them.

Charlie Elphicke: Will the hon. Lady give way?

Maria Eagle: I am coming to a conclusion so I will not.

Whether it is the increase in rail and bus fares or the rise in the cost of fuel, this Government are allowing the costs of transport to spiral, adding to the cost-of-living pressures faced by families. The Government have failed to tackle those increases not because of the deficit, but because they are unwilling to stand up to vested interests. They are failing to stand up to the train companies, letting train fares rocket by up to 11%. They are failing to stand up to the bus companies and to look at the best way to re-regulate the industry outside London. They are failing to stand up to the banks and impose a bonus tax, adding to the high cost of fuel. As a result there are rising transport costs, which are adding to the pressure on households up and down the country. This Government are too out of touch to do anything about it.

2.34 pm

The Secretary of State for Transport (Justine Greening): I am delighted to be back at the Dispatch Box for the second day in a row. I am also delighted to be debating this important issue with the Opposition who have left the country with such debts, that the Government have little leeway to do what the hon. Member for Garston and Halewood (Maria Eagle) is proposing, which is to add more debt on to a debt crisis.

The Opposition talk about how they feel about train services and rail fares and I will respond to the particular points that the hon. Lady has made. However, many people who are listening will find it galling that the day after the Leader of the Opposition made his relaunch speech which talked about responsibility, his party is instantly engaging in an Opposition debate that shows no responsibility whatever and is making more unfunded commitments that would only add to the debt levels

with which it has already burdened our country. The Labour party left this country with the highest structural budget deficit of any major economy in the world and with the highest deficit in our peacetime history. Those debt levels are costing us £120 million a day. We would much rather invest that money in our transport system and other public services. The debt levels that the Labour party left us are crippling the country and we have to tackle them first. As we regain control of our country's finances, we are aware of how difficult the economic situation is for many people. That is why the Government have taken tough decisions to restore credibility to this country's economic policy.

Mrs Anne Main (St Albans) (Con): I am pleased that the Secretary of State is drawing attention to the history behind this matter. My constituents experience the highest rail fares in the country at nearly 30p a mile. Those fares did not get to that level overnight. In his speech on Monday, the Leader of the Opposition described Hertfordshire as one of the cheaper places to live. That shows that the Opposition are completely out of touch with my constituents.

Justine Greening: The Opposition are out of touch. The speech largely failed to talk about how we can tackle the underlying problem in the rail industry, which is the cost. The hon. Member for Garston and Halewood touched on that point and I will come to it later. The industry was passed over to this Government with a high cost. I want to tackle that cost, but the previous Government did nothing to tackle it in 13 years. One of the most important things that the Government and I have to do is to get to grips with the high cost of the railway industry. That must be part and parcel of the Government's overall approach to getting a grip on our public finances.

At the heart of the Government's clear determination to do that is giving ourselves the best possible chance of keeping interest rates as low as possible for as long as possible to help families and businesses with loans and mortgages. It is not just the taxpayer who is paying through the nose for debt. We must keep interest rates as low as possible for people across this country who rely on that for their household finances to make sense. Let us be clear: if we had taken the advice of the Opposition to spend more and borrow more, which is what they have been talking about in this debate, we would be talking not about the cost of rail and bus fares, but about an International Monetary Fund bail-out to keep our country afloat, and we would be living in a country facing bond yields and interest rates like those of European countries such as Greece. That is the situation that the Opposition want to swap for.

Kwasi Kwarteng (Spelthorne) (Con): Does my right hon. Friend have any idea why the perennial problem of rail costs was not tackled in 13 years under Labour and why she and her Department have had to deal with it?

Justine Greening: My personal view is that there were two key reasons—a lack of ability to tackle the problem, because Labour simply did not understand how to do so, and a lack of willingness. Tackling the problems means that we need to have some difficult discussions about the work force, and as we saw in the vote that has just taken place in the House, the Labour party shows no willingness ever to stand up to its party pay leaders, the unions.

Maria Eagle: Given that the Secretary of State has said that she is interested in reducing the costs of the railway industry, does she accept that she needs to examine its structure? One of the big causes of excess cost in the industry is the fragmentation that was left to us after the botched privatisation that the previous Tory Government carried out.

Justine Greening: I think many people watching the debate will wonder why the hon. Lady's party did nothing in 13 years. I will shortly publish a Command Paper setting out our approach to tackling a number of the broad challenges that exist.

Mr Tom Harris (Glasgow South) (Lab): I am disappointed that the Secretary of State is being so churlish and saying that the last Government did nothing to reduce costs. Is she even aware that in the five-year control period ending in 2009, they forced Network Rail to improve its efficiency by 33%? Why has she not admitted that that was a major achievement, or that further efficiency savings were included in the next control period ending in 2014?

Justine Greening: I do not think there is any way in which the hon. Gentleman can dress up the outcome of the McNulty report, which set out very clearly just how expensive our railway industry is compared with those in mainland Europe.

I understand that rail fares are a large part of household expenditure for many people, particularly commuters, who often travel significant distances to go to work and earn a living. Of course, the taxpayer subsidises the rail industry alongside rail fares, and thanks to difficult decisions that the Government took in the emergency Budget and the spending review, the Chancellor was able to announce in the autumn statement that we would fund a reduction in the planned increases in fares so that regulated fares would increase by RPI plus 1%. That reduction is helping millions of people who use our trains.

Mr Edward Leigh (Gainsborough) (Con): Will my right hon. Friend say something about rural fares? The anytime weekly return to London from Market Rasen, which is not in the frozen north, is £150, and the average weekly wage in Market Rasen is £561. That means that people are paying 26% of their weekly salary just to get to London and back. That is not acceptable, and something must be done. We must have less emphasis on the high-speed rail link and all those wonderful projects and more emphasis on helping ordinary people in rural areas.

Justine Greening: My hon. Friend is right to set out the very difficult balance that we have to strike. On one hand we have to ensure that we keep rail fares affordable, and I am determined to do what I can to do that in spite of the fiscal straitjacket within which the Government are having to operate. On the other hand, we have to ensure that we can balance investment in the short term. I am sure that many Members were delighted to see Bombardier agree the contract with Southern for more carriages, and we are putting unprecedented investment into the existing railway lines. We have to strike a balance between working out who pays for the hard work that is going on today and ensuring that we have a railway network that is fit for service in the future.

[Justine Greening]

I know that some passengers on particular routes have faced higher increases than others, and I listened to what the hon. Member for Garston and Halewood said about the 5% flex in rail fares. I am bound to point out, however, that it was the last Labour Government who introduced that flex in 2004.

Maria Eagle: I accept that it was introduced by the Labour Government, but it was then stopped by the Labour Government and reintroduced by the current Government.

Andrew Jones (Harrogate and Knaresborough) (Con): It was stopped for one year.

Maria Eagle: No, permanently.

Justine Greening: I am pleased that the hon. Lady has made that intervention, because I have with me an exact extract from the franchise agreement that the last Labour Transport Secretary put in place. I shall quote from it, to remove any uncertainty, and then maybe the hon. Lady would like to intervene on me again. It states:

"With effect from 1 January 2010, Schedule 5 of the Franchise Agreement will be amended as set out in the Appendix to this notice."

That is the change that she has talked about. However, it continues:

"On and from 1 January 2011, the amendment to the Franchise Agreement set out in this notice of amendment shall be reversed."

Does she want to intervene to correct the record?

Maria Eagle: I am very happy to intervene. Of course I will not contradict what the legal agreement states, but the last Labour Transport Secretary made it perfectly clear to the Transport Select Committee in 2009, in oral and written evidence, that the policy was to continue. It had not been negotiated, but that is different from the policy having been changed. Negotiations go on all the time in government, as the Secretary of State will be finding out. I do not think that quotation makes the point that she thinks it does.

Justine Greening: I really suggest that the hon. Lady stops digging the last Labour Transport Secretary into a deeper hole than he is already in. The contract is absolutely clear-cut, stating categorically in black and white that the flexibility levels introduced by her party's Government would be reintroduced the year after their abolition.

Mr Tom Harris: Irrespective of what the legal agreement was, does the Transport Secretary personally believe that it would have been a good idea to renegotiate a further period for which the flex would not have been in force?

Justine Greening: I do not, because I believe that the train operating companies need flexibility, so I support my predecessor's decision. If I did agree with negotiating a further period, it would represent a spending commitment. I agree with the shadow Chancellor that now is not the time to make any further spending commitments, even if the hon. Member for Garston and Halewood does not. We can see the absolute disarray that the Labour party is now in.

I find it incredibly frustrating and galling, as I think many other people do, to hear on one day the leader of the Labour party—the party that left this country in a worse financial state than any other Government ever have—profess that we must be responsible, even though Labour was irresponsible and did not have the custodian values that it needed in looking after our public finances, then the day after, to hear Labour talk about more spending and more debt in the middle of a debt crisis. The very people who let this country down the most and left our public finances in their worst state ever are now the ones talking about responsibility. Most people outside will see that for exactly what it is—absolute political gibberish.

Ms Buck: Will the Secretary of State give way?

Justine Greening: No, I am going to make some more progress now.

I ask the hon. Member for Garston and Halewood, or perhaps the shadow Minister who winds up the debate, to come clean and talk about how their spending commitment would be funded. If the hon. Lady wants to go against what the shadow Chancellor is saying about there being no more spending, she must accept that her suggestion represents a spending commitment. It is time to talk about how she would fund it, otherwise she has to accept that it would lead to more debt at a time when we are right in the middle of a debt crisis. There is no point in the Leader of the Opposition promoting responsibility when his own party continues to show absolutely none.

The hon. Lady also has to admit that the flexibility that she wants to take away from train operating companies has meant some passengers benefiting from lower increases or decreases. For instance, passengers on the Birmingham to London route via High Wycombe have seen their annual season ticket price reduced by 7%, and the Gatwick to Bournemouth saver return has been reduced by 28%. She is proposing to raise the cost of those passengers' travel. Presumably she is quite happy to confirm that—she can intervene if she wants.

The bottom line is that for all the bluster that we heard from the hon. Lady, she would abandon the long-term investment in capacity improvements that depends on continued funding from both the taxpayer and the fare payer. She talks about 11% fare increases, but the last Government also allowed such increases. It is worth reminding ourselves of their record on rail fares and value for money. The Labour-led Transport Committee in the last Parliament stated:

"Neither passengers nor tax payers are getting value for their money...The value for money of rail travel has deteriorated by most yardsticks over the past decade."

I have listened carefully to the comments of the hon. Member for Garston and Halewood, and I hope that we both accept that the real driver of rising costs for fare payers and taxpayers is the inefficiency of the rail system that we inherited from the Opposition. She mentioned other European railways, and Sir Roy McNulty's independent review of our railway network found that the system that we inherited from the previous Government is 40% less efficient than those of our best European comparators. Taxpayers and fare payers must shoulder that huge cost burden because of the previous Government's failure to reform our railways.

Unless we are prepared to get to grips with the underlying causes of the inefficiencies, we will never make the progress that I am so passionate about achieving. That means getting different parts of the industry to work more effectively together, as we are doing through the rail delivery group, which has been set up, as Roy McNulty proposed. It means aligning incentives better and increasing transparency—I absolutely agree with that. However, it also means tackling some of the work-force issues, which, we must all accept, have driven up costs. When we reach those difficult discussions in the coming weeks, months and years to tackle rail industry costs that are too high, I hope that the Labour party will step up to the plate and join us in making the necessary decisions to bring rail costs down for the longer term and relieve the fare rise pressures that we have experienced year after year.

Kelvin Hopkins (Luton North) (Lab): The Secretary of State rightly draws attention to the difference in cost between continental railways and ours. The only major difference between them and us is that theirs are publicly owned and integrated and ours are privately owned and fragmented.

Justine Greening: That is an over-simplification. However, the hon. Gentleman is right to point out that Sir Roy McNulty identified in his report a need for the different parts of the rail industry to work together much better. Network Rail is already doing that with many of the train operating companies. That was to be a key way of driving costs down—not through worsening services but by running the system better in the first place.

Stephen Hammond: If we are comparing privatised or denationalised and nationalised railways, perhaps the Secretary of State would like to reflect on the point of history that, in the last 15 years of British Rail, fares rose faster than in 15 years of denationalised railways.

Justine Greening: As ever, my hon. Friend, for whom I have huge respect and who is obviously an expert in the House on the subject, makes an incredibly powerful point. It is worth complementing that with the point that we also experienced unprecedented increases in passenger demand since privatisation.

Julie Hilling (Bolton West) (Lab): When the Secretary of States talks about reducing costs in the industry and staff numbers, does she mean cutting the salaries of people who work in ticket offices on basic wages of £16,000 or £17,000, or of train dispatchers, who are on basic wages of £14,000—not big, but low salaries? Is she saying that those people should have their salaries reduced?

Justine Greening: I do not think that I have talked about reducing salaries. Many people might say that a train driver on a salary of £40,000 or more had a well-paid job compared with them.

Clearly, we need to address important issues that relate to the costs of the railway industry. That is why we will publish the rail Command Paper early this year to set out how to meet the challenge. That is the real prize. The long-term way of reducing pressure for relentless fare rises is by tackling the underlying driver: the industry's cost base. As I said, that will also give the Opposition an opportunity to demonstrate whether they are serious about reducing costs to passengers or whether their policy review is limited to tinkering at the edges with uncosted commitments drawn up on the back of an envelope.

Mrs Main: I have written to the Secretary of State about Network Rail, which has fundamentally failed many of the train operators—67% of all delays and stoppages are to do with Network Rail. It is time to have a debate about it. Network Rail, which is with the Office of Rail Regulation now, has been deeply inefficient in the amount of money that it costs the taxpayer.

Justine Greening: That is what I mean when I talk about the need to align financial incentives better so that people are pulling in the right direction and so that, when performance is not good enough, it costs the people who cause the inefficiency in the first place.

I want to move on to the second aspect of the comments of the hon. Member for Garston and Halewood —bus fares. Although every sector and Department have had to play their part in deficit reduction, the Labour party still does not accept that, even after yesterday's speech by the Leader of the Opposition. Nevertheless, we are determined that, even in the difficult economic conditions that we face, buses will continue to receive their fair share of funding. Yes, it is constrained by the terrible legacy that the Labour party left us, but we are determined to encourage more people on to buses and to make bus travel more attractive. That is why we set out in a spending review our commitment to continuing our financial subsidy of bus operators. The bus service operators grant remains untouched for this financial year, with savings to be introduced only from April, alongside others that we have had to make across Government as part of tackling the deficit that the Labour party left us.

Ms Buck: Does the Secretary of State therefore think that the Mayor of London was wrong to raise a single bus fare by 50% since 2009?

Justine Greening: Many Londoners will not forget that the current Labour candidate for Mayor increased bus fares in 2004 by a huge amount. I simply do not accept that his proposals for London will mean anything other than catastrophically undermining the essential investment, on which so many Londoners count, in the transport system. It is financial jiggery-pokery, and it does not add up. I believe that Londoners will see right through it in May.

We must tackle the deficit, but we continue to ensure that funding goes into our bus services. Indeed, we spoke to the industry as part of the spending review about how we could get more out of the bus service operators grant. After difficult spending decisions, the industry said that it felt able to absorb the reduction without raising fares or cutting services. Nevertheless, we are protecting the concessionary bus travel scheme.

Lilian Greenwood (Nottingham South) (Lab): I can assume only that the Secretary of State is out of date, because the Confederation of Passenger Transport UK told me that, although it initially felt that it could absorb the 20% cut in the bus service operators grant,

[Lilian Greenwood]

the combination of that and the cuts to concessionary travel repayment and local transport was a perfect storm.

Justine Greening: The hon. Lady should apologise to that organisation more than anyone else because her Government left the country's finances in a state that means that we have to make very difficult decisions. There is not a day when I do not come into the office wishing that the state of the public finances that the Labour party handed us was better. The reality that we must all, apparently apart from Labour Members, face is that we have got to tackle that problem. That means making some difficult decisions. The Labour party is in complete disarray.

Several hon. Members *rose—*

Justine Greening: Until the Opposition speak with any sort of single voice, it is pointless taking further interventions. Most hon. Members would accept that I have taken an awful lot and it is time for constituency Members of Parliament to have their say on behalf of their communities.

We are committed to investing in bus travel. In the past two months, we have also announced nearly £100 million of additional investment in buses as part of the growth review.

We are committed to investing in the transport infrastructure—not only HS2, as we announced yesterday. We are putting unprecedented investment into rail infrastructure. Even in these tough times, the Government are taking action to help people with the rising cost of living at the same time as dealing with the massive budget deficit that the Labour Government left us. That is why we are helping keep interest rates low for families and businesses, freezing council tax for the second year running, cancelling this month's fuel duty increase on top of last year's fuel duty cut. It is why we are funding a reduction in the planned increase in regulated rail fares and continuing our financial subsidy of bus operators while implementing a massive programme of investment in our transport infrastructure, not just for passengers today and in the next 10 years, but for those in the decades to come. Our determination to reduce the cost of railways in the long term to fare payers and taxpayers means that we will introduce proposals for substantial reform in the rail Command Paper early this year.

That is the significant action that we are taking. The Labour party talks about responsibility at the top, but in reality that means difficult decisions. We are making them, and that stands in stark contrast to the Labour party's tinkering, unfunded and, in so many cases, unworkable proposals.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. I have to inform hon. Members that a time limit of six minutes has been placed on Back-Bench contributions.

3 pm

Mr Tom Harris (Glasgow South) (Lab): Since the Secretary of State spent some time talking not about rail fares but about the economic legacy of the last Labour Government, I wish to make one brief point first. As an Opposition Member, she was a member of the shadow Treasury team and, up until November 2007, the Conservative party's policy was to support every penny of spending made by the Labour Government. If she is claiming that the deficit that the Government inherited was created in the last 18 months of the Labour Government, that is something that the House would like to debate. She cannot pour scorn on the spending of that Government when she sat on the Opposition Front Bench and supported every penny. That is double standards. The Secretary of State shakes her head, and I am more than happy to give way if she wants to explain why she did not tell the then shadow Chancellor that he should not support Labour's spending plans.

Justine Greening: Everybody in Britain knows exactly which party got the country into the financial mess. It is precisely why Labour Members are on the Opposition Benches now: it was them.

Mr Harris: That says quite a lot about the Secretary of State's reluctance to accept her own culpability for supporting the spending plans of the previous Labour Government.

I do not believe that the railway industry is broken, or a basket case. I was proud to serve as a railway Minister in the last Labour Government, and I understand the successes that have grown from 13 years of Labour governance of the railway industry. We have more people travelling on the railways than at any time in their history outside of wartime. We have more services every working day than ever before, and punctuality is at an all-time high. Those were achievements that this Government have managed to continue—and I hope that that continues—but fares are a fundamental weakness. They are the crucial interface between the travelling public and the railways and—irrespective of the public subsidy to the railways—if we do not make rail travel affordable for ordinary people, it will not be surprising if they feel that the railways are letting them down.

The previous Secretary of State for Transport, the right hon. Member for Runnymede and Weybridge (Mr Hammond), famously described the railways as a "rich man's toy". A few weeks ago, I challenged the Secretary of State in the Transport Committee about whether she agreed with that assessment and, understandably, she did not want to commit herself. She told the Transport Committee that she wanted to see the balance between the taxpayer and the fare payer move towards the latter. She also said that in the long term she wanted the fare payer to pay less. Well, she can have one or she can have the other, but she cannot have both. It is clear that unless the taxpayers' contribution is increased, fares will not come down. The Secretary of State refused to answer that point at the time.

Paul Maynard: The hon. Gentleman raises the interesting question of whether the burden can be switched to the fare-paying passenger at the same time as reducing fares. Does he agree that if we do what McNulty recommends and try to reduce the overall cost base of the railways, that conundrum could be solved?

Mr Harris: I am sure that the hon. Gentleman, who also sits on the Transport Committee, is as much of an expert as any other Member, and I will agree to consider his comments.

The Prime Minister was wrong today and failed to give the facts about the policy of the last Labour Government and the policy of this Government. Even if it was for only one year, Lord Adonis managed to challenge the rail industry on the so-called basket of fares and whether the RPI plus 1% policy should apply to individual fares or to a basket of fares. He got a lot of support on both sides of the House for insisting—against the arguments of his own officials and the resistance of the industry—that that policy should apply only to individual fares. As we know, if it is applied to a basket of fares, some can go up by 6%, instead of 1%. Whether or not that was a temporary agreement for one year, surely when a new franchise is let the Minister has a responsibility to challenge the industry and set such an arrangement in stone at the very start.

When the railways were first privatised, the policy—it was then RPI minus 1%—was applied to a basket of fares, as agreed with Ministers. That was what Lord Adonis succeeded in challenging, but sadly only for one year. Will the Secretary of State give a commitment that, in future new franchises, the Adonis approach will be applied to fares to protect fare payers and to ensure that train operating companies take money out of their own pockets, rather than the pockets of fare-paying passengers?

Mrs Villiers: Will the hon. Gentleman give way?

Mr Harris: I only have six minutes and the Minister will have plenty of time to wind up at the end of the debate.

I hope that the Secretary of State will not take the same path as has been followed in Scotland, where the SNP Government—for the first time since the 1960s and Beeching—are threatening to close stations, including Kennishead in my constituency, even as passenger numbers are increasing there and throughout the network. That is a disgraceful approach for any so-called progressive Government to take, and I hope that the Secretary of State will make a commitment that she will not close stations or lines in the rest of the country.

It is too easy to criticise rail services and forget some of the major advances that have been made since privatisation, but at the crucial interface between train and customer, there is a growing crisis of affordability—on the personal level, rather than the national taxpayer level.

Charlie Elphicke: The hon. Gentleman says that the Adonis policy was for one year only. Was that not an election year? I am sure that most people would agree that that is the kind of cynicism that used to characterise the previous Government and it is a good thing that we have got rid of that.

Mr Harris: Most fare-paying passengers would not agree that it is a good thing that that policy was got rid of, because they are paying more as a result. Perhaps the hon. Gentleman represents constituents who are very wealthy and can afford to pay unlimited increases in fares. If he is claiming that it was a cynical manoeuvre by Lord Adonis, he has clearly never met him. It was officials who recommended that the agreement should be for one year. Is the hon. Gentleman really saying that a Secretary of State should ignore legal advice? That is disgraceful and completely misrepresents what the then Secretary of State and Labour Government were doing for rail passengers.

3.8 pm

Stephen Hammond (Wimbledon) (Con): I direct the House to my entry in the register. It is a great pleasure to follow the hon. Member for Glasgow South (Mr Harris), who is the joint chair of the rail group and was of course a distinguished rail Minister.

The motion makes four contentions. First, it is critical of the scale of fare increases overall. Secondly, it contends that the scale of rail fare increases has added disproportionally to the increase in the cost of living for us all. Thirdly, it says that the flex mechanism should be stopped, and fourthly that the profits of the rail companies are too high. I wonder whether, in my short contribution, we might look at some of the facts rather than the hyperbole.

First, as the hon. Gentleman pointed out, there can be no discussion of rail fares without accepting that there is always a balance between what is funded by the taxpayer and what is funded by the fare payer. Successive Governments since 1945 have chosen to subsidise both the operating and the capital costs of rail expenditure, so there has been an implicit subsidy of fares from the taxpayer. That equation has been long recognised. It was Lord Adonis who, in the later years of the Labour Government, decided that the balance had swung too far from taxpayer support and needed to swing back to the fare payer. Therefore, if we want to start talking about why rail fares are increasing and taxpayer subsidies are decreasing, let us all be absolutely clear. History shows that the change in the slant of that equation happened post 2004, and certainly accelerated from 2006, so that the £10.5 billion overall operating costs of the industry are now split, with 62% coming from the fare payer and 38% from the taxpayer. The bulk of that change happened between 2005 and 2010.

Secondly, when it comes to the system of regulated and non-regulated fares, it was the last Government who introduced the policy of RPI plus 1, which is why regulated fares are increasing this year by RPI plus 1. Are Opposition Front Benchers saying that they have changed their attitude towards regulated and non-regulated fares? Are they saying that they will not operate RPI plus 1 in future? The motion is of course stoically silent about that. Let us look at the relative contribution of different sectors to the increase in our cost of living. The motion's claim does not bear too much examination, for it is not rail or bus fare increases that are contributing most to our increased cost of living. The World Bank global food index has gone up 19% over the last year, while Green Flag says that the costs of motoring and car insurance are up 21%. The average fare increase this year—I accept that it is an average; we will come to that point in a moment—is 5.9%, so the motion fails when it says that there is a disproportionate increase from transport.

As my right hon. Friend the Secretary of State has already pointed out, no one wants to see excessive price increases. Also, I accept that we are talking about an average and that some people have seen rather larger fare increases, but that is also the point about flex, is it not? Flex is a weighted average increase—a device, introduced by the last Labour Government and suspended for one year only, to manage demand. If the Labour Opposition are going to get rid of flex, they have to say whether the shadow Secretary of State will write to every commuter whose rail fare increase was less than the average and tell them why she is doing it. Is she going

[Stephen Hammond]

to put in place another tool or mechanism to manage demand? Let us not forget that although she talked about demand in peak hours, rail markets, like many other markets, are localised markets around cities or in rural areas. That is why the last, Labour Government agreed and negotiated differing peak hours with the rail companies, to ensure that localised demand could be managed over peak and "shoulder" hours. If she is going to get rid of flex, she has to stand up and say how she will accept that challenge and demand.

Finally, there is a lot of talk about the huge profits earned by the rail companies, but their operating profit margin has been absolutely constant over the last 10 years, at approximately 3%. Let us look at some of the other companies around—say, that mouthpiece of the Labour party, the *Daily Mirror*, whose operating profit margin is 16%. It is absolutely clear—it is also implicit in RPI plus 3—that any extra contribution will go back into the rail industry, not the profits of the rail companies. Today's motion is interesting, but it fails the test of fact. That is why I hope the House will reject it.

3.14 pm

Owen Smith (Pontypridd) (Lab): Transport infrastructure is one of the most important and pressing aspects of economic renewal. It is one of the keys to seeing the real improvements in our economy, the growth in jobs and the economic development that we all need. That is perhaps particularly true in some of the, as it were, post-industrial parts of Britain, such as my constituency in the south Wales valleys. Rail there has always enormously important. Indeed, it is perhaps more important right now than during any period in the last century, and arguably since the 19th century.

That is why I welcome the Government's infrastructure investment decisions. I welcome the announcement about electrification of the Great Western line between London and Cardiff, although I deplore the fact that the Government have not recognised the excellent business case for going as far as Swansea. I also welcome the decision to take forward, in conjunction with the National Assembly Government, a business case to consider electrification of the valleys and the creation there of a so-called metro system. The reason that is so important is that travel to work in urban metropolitan centres such as Cardiff from their hinterlands is the key to the economic regeneration of places such as Pontypridd, the seat I represent. I urge the Minister to consider that business case carefully when it comes forward and to look on it favourably, because doing so would be a genuinely bold and imaginative step, and a key to change.

Secondly, I agree with my hon. Friend the Member for Glasgow South (Mr Harris), the former Transport Minister, that we cannot say that all is ill with our railways right now. They are, without a doubt, more efficient, cleaner and less dangerous than they were before the Labour Government. It is Labour investment and Labour management of the rail system that led to those changes, in particular the way we effectively negotiated franchises, which—not always, but in the main—led to investment and improvement. Indeed, I commend the current Government for taking forward that infrastructure legacy.

Mr Robert Buckland (South Swindon) (Con): Does the hon. Gentleman not agree, however, that the terms of reference for the previous Great Western franchise put the service at the wrong stage, in effect applying a lower common denominator and thereby regressing the service? The new franchise needs to start from the current level and quality of service, so that we can encourage value for money and progress, instead of the rather problematic issues that we have encountered with First Great Western in recent years.

Owen Smith: I am grateful for that intervention, which gives me the opportunity to say that it was, of course, the Labour Government who managed that franchise, such that we called in Great Western and demanded the changes that it made and that it adopt special measures.

Mrs Villiers: The Labour Government did make some attempt to fix the problems, but they created them, because they let the franchise in the first place.

Owen Smith: In truth, the problems we have with the railways are in large measure precisely due to the fragmentation that resulted from the botched privatisation of our rail industry. That is the reality.

The way we have debated this issue today—in particular, the way the Secretary of State took the opportunity, uncharacteristically perhaps, to make a lot of heavy-handed party political points—does not serve our constituents and rail travellers well. This is too important an economic issue, as she will know from her time on the Treasury Bench, for us to play knockabout politics with it. The key issue that the Opposition are raising today is affordability. Very simply, given that it is so important for many of our constituents that they are able to take advantage of the improved, more efficient and cleaner train services that are now available, those services must be affordable. That is why we are concerned about the large fare increases in the recent round, although Arriva Trains Wales has commendably kept down a lot of its fares across parts of my patch to RPI plus 1. On the Great Western line, however, there has been a worrying increase of 10% in the cost of travelling between Cardiff and London, as my hon. Friend the Member for Garston and Halewood (Maria Eagle) said. That will make businesses and commuters think hard about whether they can continue to travel on that vital line for commerce and commuting.

It is important that the public understand that this Government took a decision to repeal the ban on flexing fares that the Labour Government put in place. That measure was introduced as a result of the economically straitened times in which we found ourselves in 2009. Lord Adonis made that decision to try to address the issue of affordability, and it is party political point scoring to suggest that the fact it was negotiated as a legal contract for one year was indicative of a longer-term intention. There is no read-across in that respect, and the Secretary of State would do well to take Lord Adonis at his word when he put it in writing to the Select Committee that he intended to continue the practice while we remained in economic difficulty.

What has changed since 2009? People are harder up than they were. Things have not got easier for my constituents or for those of the Secretary of State; they have got harder. That is why the Government should

have thought long and hard about how they could justify taking a decision that might be in the interests of the train operators but is not in the interests of the travelling public. That was fundamentally the wrong decision for them to take.

I welcome the common sense that we have heard from my hon. Friend the Member for Garston and Halewood today about the need for a cross-party review of our rail services. The fares are too complicated, and the system is too complicated. The flexing at peak times across different parts of the country is also too complicated. Many people end up paying higher fares than they ought to, because the system is engineered in such a way that they cannot access the cheapest fares. We have seen this with the energy companies as well. They rig the market in their favour by making it utterly impenetrable to ordinary people, and it is the same on the railways. My hon. Friend is absolutely right to say that we must look into those issues, and at the underpinning question of the nature of the structure—the ownership principles—of the railway industry. We cannot simply say that there is no alternative, and we cannot get into a tawdry, tedious knockabout over whether this or that issue represents a spending commitment. That is just point scoring, and we need a much more fundamental discussion about the nature of our rail services. We need a Government who are going to act in the interests of the people, not just those of their people.

3.23 pm

Mark Menzies (Fylde) (Con): May I start by welcoming the biggest rail investment programme that the country has seen? It was clear to all of us who were in the Chamber yesterday that the Secretary of State has shown great leadership and vision in taking difficult decisions on the future of the railway network. There is cross-party consensus on High Speed 2, but that was the kind of difficult decision that Governments can sometimes be tempted to kick into the long grass. I therefore welcome the fact that this Government have decided to press ahead with the project with such vigour. Such capital projects have to be paid for, however, and they cannot always be paid for solely from the public purse. Unfortunately, we also have to be prepared to ask the travelling public to make a contribution.

The electrification of the triangle of routes between Manchester, Preston and Liverpool represents a great step forward for the north of England, Mr Deputy Speaker. I know that you, too, care passionately about the railways, because you are a north-west MP. That investment will no doubt have substantial benefits for businesses in the north-west, and I am sure that the whole House will welcome it.

For the foreseeable future, the west coast main line will be the main artery connecting the north-west to London, and, as I know the Secretary of State is aware, the franchise is now up for renewal. May I take this opportunity to urge her, when she is looking into the franchise, to take into account not only the quality of the bids but the proposed fare structures? Will she ensure that low-cost, flexible fares remain available for the people who do not always have the luxury of being able to book many days in advance? We must ensure that people on low incomes who have to travel at short notice are not priced off the railways.

Moving on, may I point out that some of the key stations on the west coast main line, such as Preston and Wigan, are in desperate need of serious capital investment? For many years, they have been given a lick of paint and nothing more. I urge the Secretary of State to ensure that whoever operates that line focuses on such investment. We also need to be clear about how that investment will be paid for. We cannot keep asking the taxpayer to put their hand in their pocket; we must accept that if we want stations in the north-west and elsewhere in the UK that we can be proud of, some of the cost must fall on the travelling public.

Many of us will have received letters and postcards about the increase in rail fares, and in the current climate we must do everything possible to ease the stresses on people's living expenses. They face not only higher rail fares but higher household fuel bills, for example. The Government are not insensitive to that, and we need to recognise that they are doing everything in their power to keep those costs to a minimum. In launching such large-scale, ambitious projects, my right hon. Friend the Secretary of State is to be congratulated on doing everything that she can to keep price increases down to RPI plus 1%. That is significantly less than the increase of RPI plus 3% that was expected before the autumn statement, which should be welcomed. We are a railway nation, but if we want railways that we can be proud of, we need to be prepared to pay for them. The taxpayer does not have a limitless cheque book.

3.27 pm

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I want first to talk about how the Government have increased fares with no added visible benefit to Teesside and the rail users of the north-east. The Secretary of State has mentioned unprecedented funds being put into rail lines, but sadly, that has not happened on Teesside. As the hon. Member for Fylde (Mark Menzies) said, the announcement in the Chancellor's autumn statement that the trans-Pennine route from Manchester to Leeds and York would be electrified has been greeted with enthusiasm in the north. However, that enthusiasm has been tempered with concern that the move could risk fragmenting the highly successful trans-Pennine network. The plans for partial electrification have opened a can of worms, as they could leave many major towns and cities of the north worse off than they were before.

The TransPennine Express franchise covers a network of routes across the north and into Scotland, and currently uses an all-diesel fleet. With Manchester as its hub, the TPE network serves Manchester airport, Liverpool, Blackpool, Barrow, Windermere, Glasgow and Edinburgh on the west side. Liverpool and Blackpool are to be electrified under previously announced plans, leaving Carnforth, Barrow, Oxenholme and Windermere unwired. To the east from Manchester, the TPE operates to Leeds, Hull, York, Scarborough, Middlesbrough and Newcastle. The core route between Manchester and Leeds is used by all the TPE's eastbound services, with a pattern of four trains an hour. The Hull route diverges east of Leeds, while the Scarborough line branches off at York, and the Middlesbrough trains leave the electrified east coast main line at Northallerton. The busy section between Manchester and Leeds is ideal for electrification with lots of trains operating over a steeply graded route.

[Tom Blenkinsop]

The northern hub strategy would see the core route's frequency increased from four to six trains an hour, with many services running west from Stalybridge into Manchester Victoria.

The new Ordsall curve will, when completed, allow trains to continue to Piccadilly and the airport, while Liverpool services would head west over Chat Moss, but what happens to the routes such as those to Hull, Scarborough and Middlesbrough to the east and Barrow and Windermere to the west, which are not currently down to be electrified? I have already asked parliamentary questions about the future prospects of the service to Manchester airport, expressing the concern that Teesside could be left to languish on a "non-electrified branch line". Rail campaigners I know in Cumbria have expressed worries about Barrow trains terminating at Lancaster and about Windermere becoming a self-contained branch.

The route in my area has massively increased in popularity, largely due to the huge benefits brought by the previous Cleveland Labour authority, which invested heavily in the local rail line in 1993 and formed new train stations such as Yarm.

It is ironic, given the recent Government announcement after fantastic campaigning by my hon. Friend the Member for Sedgefield (Phil Wilson) for the delivery of the Hitachi plant at Sedgefield, that dual-use—both diesel and electrified—trains made by Hitachi will be built in an area that would not benefit from those self-same carriages. Network Rail has been asked by the Department for Transport to look at the business case for electrifying the line to Middlesbrough, Scarborough and Hull, and I believe an announcement is expected in July.

All this comes down to basic economic arguments when we have a Government who are evacuating the public sector and public sector spending and trying to implement regionalised pay and to change local business rates supposedly to attract private investment. Industry, however, particularly that using freight in my area, has no market certainty about how this Government are developing their transport plans. What makes me and people in my area angry is that at a time when manufacturing is in the doldrums, with statistics showing a potential recession, and despite the fact that the north-east is bucking the trend through its chemical industry, local steel industry and the agricultural industries in the region, we are nevertheless not getting any of the infrastructure benefits of the positive measures coming from industry and local workers in my region.

The Secretary of State said that the previous Government had left a terrible legacy and that this Government's fiscal measures were amending that position. I beg to differ. The reason why we are able to lend at better rates at the moment has absolutely nothing to do with the fiscal measures of this Chancellor—the Secretary of State knows this—as it is really due to quantitative easing and Bank of England policy since 2008. That can be measured by the fact that foreign market purchasing of our bond yields has not increased since 2008. The Secretary of State can talk as she wishes about the economic changes being made by this Government's policies, but the truth is that this Government have no plan for growth. As I have said, manufacturing is delivering for this nation in my region, yet the Government are providing no infrastructure support. That has been backed up by the civil engineering association in my region, which recently met me and reiterated that argument.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I now have to announce the result of the deferred Division on the question of the carry-over for the Local Government Finance Bill. The Ayes were 329, the Noes were 207, so the Ayes have it.

[The Division list is published at the end of today's debates.]

3.32 pm

Dr Julian Huppert (Cambridge) (LD): Rail fares in this country are far too high. Under the last Labour Government we saw year after year of fare rises, and we now have one of the most expensive railways in the world. From 1997, 13 years of Labour government saw rail fares going up by 66% in cash terms. I welcome, however, some of the shadow Secretary of State's comments about people wanting simple ticketing, as they want to understand what is going on. I welcome that, although it is somewhat belated. I and many others have been arguing for that for many years. I hope we can go further; it is a shame that it did not happen during those 13 years.

Most recently, thanks to pressure from the Liberal Democrats—both inside government, from those such as the Under-Secretary of State for Transport, my hon. Friend the Member for Lewes (Norman Baker) and outside it—and arguments won by a new Secretary of State and Minister for the railways, fares have risen by 1% above inflation this year rather than the planned 3%. I welcome that, and I hope it will not revert to 3% in future years.

We in the Liberal Democrats believe that fares should fall in real terms rather than rise even further above inflation, as happened year on year under Labour. As the shadow Secretary of State confirmed today, Labour policy is for fares to go up by more than inflation every year. That is something that the British public should be concerned about; they have heard it from the shadow Secretary of State today. The Conservatives have also argued for similar increases. We need to reduce the fares and to understand how we can reduce them, we first need to look at how fares have become so high.

Justin Tomlinson (North Swindon) (Con): With pressure to raise revenue to offset fare rises and reduce overcrowding, why not give greater freedoms to train conductors to sell spare capacity in first-class carriages during peak times?

Dr Huppert: I would have to look at the details, but it is an interesting idea that is worth looking at. There is also the question of how much spare first-class capacity there should be so that potentially everybody could afford to use it. I am sure that the responsible Minister will look at that.

Why are rail fares so high? Why do commuters suffer from some of the most expensive tickets in Europe and some of the most crowded services? The main reason is chronic underinvestment and mismanagement of the railways. Over the last 50 years, for example, the length

of our rail network has roughly halved, but even just since 1980, the number of passenger journeys has doubled. That is good, but it puts pressure on those railways. Government after Government have invested far too little in our most important transport network. Infrastructure spending simply has not kept up with demand, and that pressure on the railways has caused a downward spiral. An overcrowded, inefficient and unreliable service is far more expensive to run. The Office of Rail Regulation estimates that UK railways are up to 40% less efficient than their European counterparts, despite the cost of tickets. That puts fares up, and reduces the amount of investment that is available from them.

The network has become increasingly expensive to run as it has deteriorated, and Government after Government have shifted the spending burden on to passengers. I believe that a large chunk of the 30% savings identified by the McNulty review should be passed on to passengers in the form of lower fares as soon as possible, with the rest being spent on infrastructure. I hope that the Secretary of State and the Minister will accept that those are the priorities.

What is key is significant and well-targeted investment in the railways. That is why the Liberal Democrats were so thrilled by the announcements made by the coalition Government towards the end of last year. Despite the eye-watering public deficit that we face and the ongoing eurozone disaster, we managed to find the £1.4 billion of investment in our railways that was announced in the autumn statement—£400 million more than was announced for the roads, which represents a very good rebalancing towards sustainability—and yesterday we heard the excellent news about High Speed 2.

If we have managed to find those funds now, in such difficult times, just think what could have been done in the boom years. That opportunity was missed. It is deeply regrettable that the necessary investment was not made sooner. Funding would have been easier, decisions would have been much easier to make, and the fares that we face now would be lower. It is a great shame that that did not happen when the money was available.

As well as what can be done in the longer term, there is more that we can do now. For years the Liberal Democrats have called for rail fares to be more open, transparent and rational—so that people can understand what they are buying, why they are buying it and when they can use it—and for franchise agreements to be more flexible. On both those fronts, the Government are making significant progress by reforming franchise agreements and opening up Government data. Nevertheless, there is more to do, and I am sure that the Minister will say more about it later.

Without accountability and openness, there can be no reform and no incentive for fare reductions. It is because of the lack of transparency that successive Governments have employed in rail policy that the debate has become so fractious and fares are so stubbornly high. We see politicking and individual fares being picked on in various quarters. We can all do that. Today we heard the Labour party present the fare rises as though they were a new phenomenon, but fares have risen above inflation since 2003. Some fares have always been allowed to rise more than others as long as they fit the average cap. That was the system established by Labour in 2004.

I could give a number of examples. In 2007, fares on Stagecoach South West Trains rose by 20%. In January 2009, when the retail prices index was 0.1%, fares rose by 6%: 60 times as much as inflation, which was a huge amount. Some comments were made about Ken Livingstone earlier. Londoners will not forget that, having promised in his manifesto

"I will freeze bus and tube fares in real terms for four years",

Ken Livingstone raised bus fares by 43% in January 2004. They will know what to believe when he makes similar promises again.

The real casualties of all that are the rail system and the passengers whom it is there to serve. The masking of the cause of the fare rises, the predicted income and the pricing structures have meant that the real issues have not been dealt with for too long. We are letting the public down by continuing down that route and not taking the steps that I have outlined. We should pay attention to what is happening throughout the country at present, not just to the extremes—the highest and lowest figures. Overall, fares are rising by 5.9%, which is below the "1% above inflation" cap. That is good, but the fares are still too high and they need to come down.

We should focus today on the overall burden on passengers, on the causes of that, and on how we can reduce those causes. Unless we invest and deal with the problem now, we shall never be able to achieve our goal of a cheap, efficient and sustainable transport network. I hope that Liberal Democrats in Government will be able to make those tough decisions in order to give Britain the efficient and sustainable network that we deserve, and I hope that we will be successful in our pressure for fares to go down in real terms and not up, up, up. The public deserve a good, reliable and affordable rail system.

3.39 pm

Alison Seabeck (Plymouth, Moor View) (Lab): Rail travel is vital to the far south-west. It takes nearly three and a half hours to travel from London to Plymouth, and five hours to travel further down the Penzance main line. We have ever-diminishing air travel options—Plymouth airport has just shut—and only two strategic road routes, and there is no motorway leading down to Cornwall. Rail and its affordability are therefore incredibly important.

Over the 15 years since privatisation, rail travel in the south-west has boomed. There have been 85% more journeys, 40% of them to London and the south-east. The number of journeys in Plymouth has increased over the past 10 years, despite the recession, and we have seen the fastest rate of travel-to-work growth—about 4.6% each year.

A major capacity gap is looming, however. The decisions taken on High Speed 2 will not help the south-west as much as we would like. It is especially expensive for people in the south-west to travel around the country, as we pay more per mile than those in other areas. That is part of the legacy of botched privatisation. There is a deep sense of unfairness. I fully accept that rail passengers have to pay towards the service they use, but there should be fairness in the system and that does not exist.

Local authority figures and development plans suggest that the number of rail passenger journeys will increase further, and in excess of Network Rail's figures—I urge the Government to compare the figures of Network

[Alison Seabeck]

Rail with those of the local authorities—but passengers will still face historically high fares, and in particular those travelling from the south-west. Why are standard anytime single fares that are priced per mile so much higher for our region than for any other region? A standard open ticket down to Plymouth will now cost £252, up by 9.7%.

The Government put forward the idea that people can commute for 90 minutes into work. The 90-minute journey out of Plymouth to Taunton is a fair stretch, and a young person doing their first job will have to pay £170 a week if they cannot afford to buy a season ticket. That simply is not realistic, and it is certainly not affordable.

A number of Members touched on the economic significance of the rail network for regional and city growth. Its importance to the south-west cannot be overestimated. So much potential could be unlocked if our rail services were efficient, on time and, importantly, affordable. In yesterday's local government finance debate, we talked about how local authority budgets might grow, such as through increasing business rate revenues. Those revenues will not grow if a decent infrastructure is not in place and if fares are not affordable, as under those circumstances businesses will not want to invest in cities that are distant from the central hub of London.

As always, we in the south-west and Plymouth are concerned about our peripherality. Following the HS2 announcement, we are increasingly concerned that the south-west's links to London are not being looked at and that we are not getting a strategic overview of exactly how the benefits of HS2 will pan out in terms of access to and from the south-west. We have also received no reassurances about affordability, and we see no fairness in the fares structure. We need a fares structure that is simpler, too. We have a new franchise coming up, and fares structuring and pricing must be taken into account at that time. I also urge the Minister to take on board the concerns of the people of the south-west.

My hon. Friend the Member for Garston and Halewood (Maria Eagle) was right to call this debate, as we should highlight the policies of the Government, which do not tackle the rail companies and therefore, in effect, acquiesce in the unacceptably high rail fares. I urge Members to vote for our motion.

3.44 pm

Iain Stewart (Milton Keynes South) (Con): I am disappointed by the text of the motion. We could have had a sensible and mature debate on the future of the rail industry, its costs and the appropriate balance between revenue from the fare box and from the taxpayer, but instead we have merely had cheap political point making, which does no one any service. From listening to some contributions, one would have thought that train fare increases occurred for the very first time in January of this year, whereas there have, of course, been increases for many years.

For many years before I was elected, I commuted daily up and down the west coast main line between Milton Keynes and Euston. Every year, the season ticket went up a couple of hundred pounds. Now, it is about £5,000, and if one adds on parking charges, that is a huge sum of money to come out of people's pockets after tax. I acknowledge that that is a huge cost, but we need to have a sensible debate about how we move forward from here, rather than just engaging in cheap point scoring across the board. I hope that the Select Committee on Transport, on which I serve, will turn its attention to this issue at some point this year, once the Government have published their fares review and response to McNulty.

In the short term, it is important that we do what we can to cap fares, and I welcome the announcement in the autumn statement that we are scaling back from RPI plus 3 to RPI plus 1. However, it is also important that passengers see something for what they are paying. I applaud what the Government have done to prioritise investment in the rail industry, and we have seen some examples of that on the line I use. It is far from perfect, but there are measures to tackle overcrowding. We have a new fleet of trains, and just this week, Virgin Trains announced that an extra three of its fast trains will stop at Milton Keynes during the evening peak. That will go some way towards relieving overcrowding, and many of the Pendolino trains are being lengthened. Some tangible improvements are therefore happening, although not as fast as I would like—I would like more trains to stop during the peak morning period—but, this is a welcome first step.

Also welcome is the announcement in the autumn statement about the East West Rail line, which will connect my constituency westwards to Oxford, and southwards to Aylesbury and on to London. I hope that, in the fullness of time, we will extend eastwards towards Cambridge, so that I can go and see my hon. Friend the Member for Cambridge (Dr Huppert) in record speed. However, I suspect that that is a little while off. The key point is that these are tangible improvements in the short term that passengers can see for the extra money they have to pay.

However, there are long-term structural issues within the rail industry, and we need to have a frank and honest debate about how we move forward. We should look not just at this country, but overseas to what other countries do. During the summer recess, I had the great privilege of travelling to Switzerland as the guest of the Swiss railway to examine its system. It has increased cost pressures, as well. We hold up the Swiss railway example as nirvana—the goal that we want to achieve—and in many respects it is, but it is having a big argument at the minute about putting up rail fares to pay for increased infrastructure investment in order to increase capacity. So, this problem is not unique to this country.

However, there are certain parts of the Swiss system that we should look at. In the one minute and 50 seconds remaining to me, I do not have quite enough time to go into that issue in depth, but the Swiss have what they call the general access card, which covers public transport costs across all modes, be they rail, tram, ferry or bus. We should encourage measures in this country to improve transport integration, which has long been talked about. The former Deputy Prime Minister, now Lord Prescott, proclaimed that we would have a committee for integrated transport; however, 13 years on, little has been achieved. We need to address such issues and to look at the long-term costs within the rail industry. Our rail costs

are among the highest in the world, and we should not just accept that the existing situation must be preserved in aspic for ever.

Some tough issues have to be addressed and it is not going to be easy, but I am looking forward to having a sensible debate. I hope the Transport Committee will tackle these key issues when we conduct our inquiry, hopefully later this year, and that we can have a sensible debate, rather than the petty and pointless political point scoring that has happened today. There are many sensible Opposition Members with whom I serve on the Transport Committee, and I hope we can have a decent discussion and explore all the issues.

3.49 pm

Julie Hilling (Bolton West) (Lab): I start with the point that I wanted to make to the Secretary of State during her speech. There was a global financial crash; although the previous Prime Minister may have been a very powerful man, he did not cause a financial crash in America, Japan, Germany, Europe and the rest of the world.

In my postbag and in my surgeries I increasingly encounter stories from ever more desperate constituents. I hear from those who are losing their homes and their jobs, from those who are terrified about losing their disability benefits and about the changes to housing benefit, and from those who are having to give up their college courses because they can no longer afford to get to them. I hear from ordinary people who are paying the price of the failure of the banks and of this coalition Government's economic policy.

The rise in gas and electricity prices means that many people are choosing between heating and eating, and some people cannot even afford food. Last year, the Trussell Trust fed more than 60,000 people who were experiencing food poverty, and the number of people seeking help because they simply do not have enough money to feed their family is growing. These people have lost their jobs or faced an unexpected bill, have had their benefits cut or fallen ill, their relationship has ended or they have simply not received a pay increase for a number of years. These are ordinary people facing devastating circumstances simply because they are poor.

Transport costs are yet another problem. Even in this age of the car, many people are totally dependent on public transport. That could be because they are too young or too old to drive, because they have disabilities, because they are young and cannot afford thousands of pounds for car insurance or because they are on low pay and cannot afford to own and drive a car. The bus is an essential part of most people's travel on public transport. Twice as many people use buses as use trains, with bus use particularly common in the lower income bracket, and 25% of households do not have access to a car. There has been a perfect storm in the bus industry: a 20% cut in the bus service operator grant; a 28% cut to local government funding for transport; and changes to the way funding is provided for concessionary fares for older people, which cost local authorities £223 million in 2011-2012.

What has been the result of that? It has been as follows: children's fares rising in my area to half the adult fare, rather than being the flat rate of 80p that they were before; bus services disappearing because local authorities can no longer support them; young people dropping out of college or not applying to go because they no longer get education maintenance allowance to pay for the fares; people no longer able to get to their place of work or to afford the fares to get there; the unemployed unable to afford fares to seek work; young people unable to get to youth projects and left with nothing to do; and the elderly and other vulnerable groups left isolated on their homes. It is no wonder that the UK Youth Parliament chose public transport as its No. 1 issue for 2012.

One of my constituents, Sandra, wrote to me about the increase in cost for children on the bus last April, saying that the cost of getting her two children to school had gone up by 50%. The weekly fare for both girls was £16 and it has risen to £24, or £96 per month, so she will have to find an extra £32 a month just for their transport. She said:

"What option do I have but to pay these amounts, this is the nearest school my girls can attend however it is too far for them to walk especially as it would involve crossing the busy A6 junction which has seen so many fatalities.

The other option is for me to drive them there and pick them up which in this day and age of trying to do our bit for the environment is very negative, plus it would mean taking away their independence which they gained since attending high school.

Surely the knock on effect will be that more parents will drive their children, congestion will increase and the bus company will see a reduction in people using their services which will ultimately see the service itself being cut due to lack of use....Working parents are feeling very stretched at the moment and all these extra costs seem very harsh.

I know many parents I have spoken to feel the same".

Michelle contacted me in a similar vein, saying:

"As hard working parents who are really struggling to make ends meet in the current economic climate we don't qualify for any financial help from anyone, and there is a limit to how much we can afford to pay. I am aware that there such a thing as a Junior Saver Pass which can be bought weekly—but it would cost me even more to buy this pass than it will be to pay the increased bus fare! So, to put it bluntly, I am stuffed!!!

I wonder, are we going back to the dark times that Orwell wrote about not many miles away when many working families were living and working well below the breadline?"

Of course, it is not just children who face unaffordable increases in bus fares. First Bus will put up its fares this month by more than 7% and some providers are increasing fares by even more.

Let me turn finally to rail. UK rail fares are already the highest in Europe, with some season tickets costing a fifth of the average UK salary. We are forcing those who have cars to go back to driving, increasing congestion and carbon emissions, and forcing those who do not have cars into unemployment and isolation. The Secretary of State talks about the cost of our rail services but does not address the fundamental problems of botched privatisation in the first place. We clearly need to look at how we can reduce costs, but we should not do that at the expense of rail users.

I want to ask a final question: is public transport a public service? No public transport network in the world is not subsidised, but if the Government continue along the path of expecting the user to pay the full cost of any public transport service, people of ordinary means and the poor will be driven off public transport. Indeed, trains will become simply rich men's toys.

3.55 pm

Paul Maynard (Blackpool North and Cleveleys) (Con): It is a pleasure to speak in this debate. Paragraph 13 of the final McNulty report states quite clearly:

> "Fares structures do not send efficient pricing signals, particularly in terms of managing peak demand, and are extremely complex."

As a frequent user of the west coast main line I can only concur with that diagnosis, but what has struck me about today's debate has been the lack of any praise for what the Government are doing to tackle it. I am not just talking about RPI plus 1 rather than RPI plus 3, or about the fact that we have more passengers on our railways than we did in the 1920s, but I find it strange that the Opposition find it difficult to recognise our investment, particularly in the north-west with the Ordsall chord, which is the first stage of the northern hub, and the electrification of the line to Blackpool—and that is before we get on to High Speed 2; I am told than those on both Front Benches are suffering a degree of HS2 fatigue.

I listened to the speech from the hon. Member for Garston and Halewood (Maria Eagle), the shadow Secretary of State, and I began to ask myself whether that was the new reality and the new approach for tough times or whether it was just about borrowing a bit more—the same old story and the same old solution—without saying where it would come from. That is not just a knockabout point, as it goes to the heart of transport policy. The previous Labour Government, rightly in my view, wanted to shift the burden of paying for our railways from the taxpayer to the fare-paying passenger, a policy that this Government are continuing. I am not quite sure I understand why the Labour Opposition do not want to continue with that approach. I began to get a bit confused. As I listened to the hon. Lady, I felt like I was watching a game of what I call policy Twister, where a Front-Bench team try to contort themselves into new poses to fit the leader's latest re-launch. As someone who spent many years in an opposition front-bench team, I know what it feels like. I have been there, done that and bought the T-shirt.

I do not want to denigrate the hon. Lady's proposals, as I thought that some of them made a lot of sense. For example, I have concerns about the digital divide and the availability of fares only online, and she was right to raise that. I feel, however, that in the wider debate we need a slightly more coherent understanding of what the McNulty review recommends. I am concerned that the debate seems to focus on what is said in the latest RMT or Transport Salaried Staffs Association press release. This is not just about ticket offices—and, by the by, I share many people's concerns about the loss of ticket offices. We need to understand that McNulty goes much further than that.

Somewhere within rail policy, we must discuss where the burden lies and where the balance falls between the fare-paying passenger and the taxpayer. Given that McNulty called for a fare review and we are delivering a fare review at the end of the year, I am a little perplexed as to why the Opposition could not wait to see what is in the fare review. I am proud to serve on the Select Committee on Transport and I am looking forward to our cross-examination regarding the documents when they come forward. I have no doubt that we will find some flaws and will communicate those flaws to the Government in our usual courteous way, and that will be a good thing. Hon. Members have to recognise that there is a Command Paper coming out that will look at the structure of our railways and that there is a fare review coming out that will also address the issues.

The hon. Member for Garston and Halewood illustrated a useful point when she confirmed to me that one of her core beliefs is that the peak period should be the same in Euston as in Merseyside. I should think that would raise some very interesting problems. Anyone who uses the west coast main line, as I am sure she does to get back to Liverpool, must realise that at peak hours on a Friday the place is a hell hole. Passengers have to be put in cattle pens; it is not acceptable. Is she suggesting that we should reduce the standard national peak time? That would just cause that problem at Euston every day of the week and make it worse. Is she suggesting that we should have a much longer national peak hour? That would make it quite hard for many of our parents and neighbours who travel from Runcorn into Lime Street to do their shopping in Liverpool One to get there and back in a day on an off-peak ticket. That is an example of how the policies that the hon. Lady has suggested today have not really been thought through.

I would far rather that the hon. Lady recognised that the Government are taking relevant steps and are making a difference. They are bringing forward the fares review and the Command Paper on the structure of the rail industry that we need to see. I have a feeling that this debate might have been plonked on Opposition Members from above. I know that that happens sometimes—Members do not always choose to have a debate but might be told, "You're having one." They have done their best to cobble together a press release but I am afraid that although they get A-plus for effort, they get D-minus for homework. There is a debate to be had, but I am not sure that today's debate was the one we wanted to be having.

4.1 pm

Heidi Alexander (Lewisham East) (Lab): Let me start by picking up on the last point that the hon. Member for Blackpool North and Cleveleys (Paul Maynard) made. He suggests that this debate was thrust on our Front Bench. Far from it; I believe that a number of Members desperately want to discuss this issue—[Hon. Members: "Where are they?"] Well, I am here and if hon. Members will grant me the courtesy of listening, I will tell them that my constituents e-mail and write to me on a weekly basis about this issue, and when I knock on their door they talk to me about the affordability of the railway. My constituents depend on the railway far more than most Members' constituents, partly because there are not a huge number of locally based jobs in the area of Lewisham that I represent. Most of my constituents who work—70%—travel into central London, down to Croydon and out to Bromley using the railway, not the tube, and sometimes the bus to go about their daily life. The railway and the affordability of train fares are critical to my constituents. That is why we are having this debate today.

I was struck by the comments of the hon. Member for Milton Keynes South (Iain Stewart), who said that train fares have been increasing for a number of years. That certainly has been my experience as a London Member of Parliament, but the real difficulty this year

is that the train fare increases are particularly hard to stomach given that they come on top of so many other increases in the cost of living, such as in utility bills and food. Constituents are coming to us and saying that their housing benefit is being reduced, and it is a real kick in the teeth when train and bus fares are being hiked by such considerable amounts this year.

Iain Stewart: The two issues that the hon. Lady has just mentioned are not separate points, because trains require energy to run on and if energy costs go up the operating costs of the railways also go up. One cannot simply differentiate those two issues.

Heidi Alexander: Energy was just one of the things that I mentioned. Most people would recognise that the cost of living is going up considerably. However, I agree with the hon. Gentleman when he says that, with fares going up, our constituents—the public—expect to see an improvement in service, getting some bang for their buck. When the trains roll into stations in my constituency, they are rammed full of people. This morning I tried to get on the 8.32 train from Lewisham and had to wait for the next one to come along. The previous Government put in place a number of measures to increase capacity on some of the suburban lines coming into London.

Henry Smith (Crawley) (Con): Will the hon. Lady give way?

Heidi Alexander: I am afraid I will not give way; I have limited time. With the railways Minister present, I would like to make the point that that increase in capacity, lengthening trains to 12 cars, is incredibly important. Also, the new rolling stock on the suburban lines is critical. The new rolling stock has much more standing room, which my constituents are calling out for.

My problem with the increase in train fares is that it is making it much more difficult for my constituents to find work. A single man on low pay working in central London came to my surgery recently. He said that he was gravely worried about whether he could afford to get to work. If people are not able to stay in work or have to look for other jobs, that will add to the bill that the Government are paying out in jobseeker's allowance. I have fundamental concerns about the impact of rising fares on people's ability to stay in work. The Campaign for Better Transport has estimated that in London, if two parents are working and have two children in child care, that can swallow up 40% of the household's income. Hundreds of pounds added each year to the cost of getting about in London will make a significant difference to household budgets.

Not only is it important that train fares are affordable so that people can go about their daily lives, get to work and stay in jobs, but everyone in the Chamber would recognise that ultimately we need to do more to get people on to public transport. The environmental benefits of getting people out of their cars, reducing congestion and pollution by getting them on to the trains and buses, are key. If people do not believe that public transport is affordable to them, we will not see the change in behaviour that all of us in the Chamber want.

In the few minutes remaining to me, I shall pick up on some of the remarks made earlier by the Secretary of State about the proposals put forward by Labour's candidate for Mayor, Ken Livingstone, on fares policy. She suggested that in some way the 7% cut in fares that Ken Livingstone is promising for October this year would fundamentally destabilise Transport for London budgets. TfL has costed the proposal at £215 million. At present TfL works with an operating surplus of £727 million. It is possible and it can be done. That is why it is the right policy for Ken Livingstone to pursue.

I conclude by saying that it has always interested me that we view public money spent on roads as an investment, yet public money spent on railways as a subsidy. For me, the sooner that changes, the better.

4.8 pm

Lilian Greenwood (Nottingham South) (Lab): We have heard this afternoon exactly how the cost-of-living crisis is hitting households up and down the country. My hon. Friend the Member for Bolton West (Julie Hilling) described the devastating circumstances faced by some of her constituents. This debate is not about point scoring. It is about the lives of the people whom we represent—the people who went back to work after the Christmas holidays and suddenly found that they had to pay almost 11% more to catch the train. As my hon. Friend the Member for Pontypridd (Owen Smith) noted, passengers travelling from Cardiff to London face increases of 9.7%. My hon. Friend the Member for Plymouth, Moor View (Alison Seabeck) highlighted the frightening cost of fares to and from the south-west.

As usual, there were plenty of warm words from the hon. Member for Cambridge (Dr Huppert), but I remind him that his party is part of this Government and their policy is to increase fares in this Parliament by RPI plus 3%.

Dr Huppert: Will the hon. Lady give way?

Lilian Greenwood: I will not give way at the moment.

We have heard about shoppers finding that they have less to spend when they get to the shops or the market because bus fares have gone up, about small businesses struggling with the high cost of petrol, and about mums and dads having to find more money from the family budget to help teenage sons and daughters pay to travel to college because they have lost their education maintenance allowance and the fare concessions they used to get have been cut. Parents are having to get the car out to take their children to school, even if they cannot really afford to, because school transport has been cut. As has been said, that does nothing to contribute to the green agenda.

The cost of living crisis is hitting hardest those who are least able to withstand it and is made worse by the decisions that the Government have made, which show that they are out of touch with the concerns of ordinary families. When so many people are struggling to pay their bills and make ends meet, only a Government who are completely out of touch with these concerns would allow inflation-busting increases in rail fares, yet that is exactly what this Government have done. They were forced to back down on their original plan to increase rail fares by inflation plus 3% this year, but passengers will still face those rises in January 2013 and January 2014.

[Lilian Greenwood]

When passengers heard the Chancellor's autumn statement, they understandably expected that the most they would have to pay this year was an extra 1% above inflation, but they soon found that they were wrong, because the Government gave private train companies the right to increase some tickets by an additional 5%, something that Labour banned in government precisely because we understood the pressures commuters face in tough economic times.

Alok Sharma: At the start of the debate the hon. Member for Garston and Halewood (Maria Eagle) made a spending commitment to keep fares down. Will the hon. Lady tell us where the money for that would come from and, assuming she does not wish to increase the national debt, what she would cut to fund that commitment?

Lilian Greenwood: I am not making any spending commitments this afternoon. The real question needs to be addressed by the Minister, which she might do when summing up. She needs to address the point, made by the National Audit Office, that rather than protecting taxpayers or paying for the investment described by the hon. Member for Milton Keynes South (Iain Stewart), the flexibility will boost the profits of train operating companies. How will she tackle that?

As my hon. Friend the Member for Glasgow South (Mr Harris) rightly said, rail services flourished under Labour, with more services, more passengers and better punctuality than ever before. He also noted that Lord Adonis stood up to train operators and removed this flex. Lord Adonis stated in evidence to the Transport Committee:

> "In a time of economic stringency I do not think it acceptable for individual commuters to face significantly above-average fare increases. The Government's intention is, therefore, that in future the cap should apply to individual regulated fares, not just to the average of each fares basket."

He said "in future" and nothing about it being for one year.

The Prime Minister might say that he wants to tackle crony capitalism, but actions speak louder than words. His Government have shown that they are on the side of private train operators, rather than passengers, letting them increase some fares by as much as 11% with no guarantee that the money will lead to a better deal for taxpayers. As I have said, the NAO has warned that that could simply result in higher profits for train companies. The Government also know how difficult it is for passengers to navigate their way around complex fare structures to find the cheapest tickets, but they will not rule out getting rid of the very ticket office staff who can help and advise people, particularly those who are unable to find the best offers online or by using a ticket machine.

If things are bad for rail users this January, bus users might say, "Look at the year we've already had." The Transport Committee called the 2010 comprehensive spending review

> "the greatest financial challenge for the English bus industry for a generation".

Alongside rising fuel prices and a depressed economy, many bus operators have had no option but to raise fares, cut services or both. What have the Government done to help bus users, many of whom are among the least well-off in society? They have cut transport funding to local councils by 28%, a loss of £95 million in 2011-12 alone. They have changed the way in which the concessionary fares scheme is funded, taking a further £223 million away from local authorities in the past year, and they have decided to cut the bus service operators grant, the fuel rebate to bus companies, by 20% from April.

If we add those changes together, we find that the result is devastating. Fares are going up, one in five supported bus services has been scrapped and the Campaign for Better Transport has collected examples of more than 1,100 bus services that have already been lost in the English regions. Whole communities have been left isolated without access to public transport, and almost three quarters of local authorities have been forced to cut or to review school transport provision.

Older people, who are protected from fare rises, having benefited enormously from the free bus pass introduced by the previous Labour Government, are finding additional restrictions on when they can travel and, particularly in rural areas, that the service they relied on has disappeared. The Prime Minister may have promised to keep the free bus pass, but it is of little use if people have no local bus to travel on.

Time and again we see this Government choosing to implement policies that have a disproportionate impact on the very people who most need to be protected in harsh economic times: older people and disabled people, who often do not have the choice to use a car; and the unemployed, who are already paying the price of this Government's economic failure. Some 64% of those seeking work do not have a access to a car, so they rely on buses to get to interviews and jobs. As my hon. Friend the Member for Lewisham East (Heidi Alexander) said, how will they access job opportunities or stay in work without public transport and how can work pay if travel to work is not affordable?

We heard about young people, 72% of whom rely on buses to get to college and to give them independence. They are already struggling without their education maintenance allowance, or are facing a threefold increase in tuition fees, so it is little wonder that colleges report a fall in admissions, and that the UK Youth Parliament made cheaper, fairer and more accessible public transport its No. 1 issue for 2012.

For the one in 10 people in rural areas who do not have access to a private car, a bus is essential to get to the nearest shop, doctor or post office—not that car users have done much better. For all the Government's talk of fuel stabilisers in opposition, one of their first acts was to increase VAT to 20%—immediately putting petrol prices up by 3p a litre and adding an extra £1.35 to the cost of filling up the average car.

The Government claim that those changes are all in the name of deficit reduction and that there is no alternative. That is not so. What is required is the determination to stand up to vested interests and to powerful lobby groups. We have already set out how we would ease the pressure on households from the rising costs of transport—not by increasing spending, but by banning private train companies from averaging out the cap on fare rises. That would mean a maximum increase of inflation plus 1% this year, not increases of up to 11%.

My hon. Friend the Member for Garston and Halewood (Maria Eagle) also set out how we are considering other options to ensure that passengers are protected from unfair pricing, including a single definition of peak and off-peak; a right to the cheapest ticket; a right to a single price for the same ticket; a more flexible way of changing one's travel plans; and a right to a discount when a rail replacement bus service is put on.

Labour's policy review is looking at all options for reforming the structure of Britain's rail industry. We need root-and-branch reform of its costly fragmented structure, and we need a better deal for taxpayers and passengers. We also want to devolve more transport responsibilities, so that more decisions are made locally by integrated transport authorities with powers to deliver local bus services in a way that best suits each community, ensuring that the needs of local people are met and that fares are affordable. For young people who are aged 16 to 18 and in education, we want to see a concessionary fares scheme delivered by the major bus companies in return for the subsidies that they have received.

In the transport spending review, the Government recognised:

"Transport provides the crucial links that allow people and businesses to prosper".

Well, people and businesses are suffering as a result of their poor decisions. Yesterday, we, like the hon. Member for Fylde (Mark Menzies), welcomed the good news about High Speed 2 and the Government's commitment to long-term investment in our infrastructure, but they must face up to the here and now. They need to listen to passengers and start taking action to tackle the quiet crisis facing people the length and breadth of this country.

4.19 pm

The Minister of State, Department for Transport (Mrs Theresa Villiers): Time is too short to refer to every contribution to today's debate, but I welcome all those that have been made.

The hon. Member for Glasgow South (Mr Harris) criticised a fares system that he presided over as rail Minister. My hon. Friend the Member for Wimbledon (Stephen Hammond), along with many others, pointed out that RPI plus 1 and above-inflation fare increases were introduced under the Labour Government and did not start under the coalition.

The hon. Member for Pontypridd (Owen Smith) commented on the Government's continuation of a major investment programme and called for a simpler ticketing system. My hon. Friend the Member for Cambridge (Dr Huppert) also welcomed our commitment to a programme of rail improvements that is probably the biggest since the Victorian era. He welcomed the fact that we had been able to prioritise it despite the deficit because of the difficult decisions that we have made in other areas. My hon. Friend the Member for Milton Keynes South (Iain Stewart) welcomed the progress on East West Rail and made some important points about how fares operate.

The hon. Member for Bolton West (Julie Hilling) made a moving speech about the hardship that her constituents are feeling. As for buses, we are of course doing all that we can within the constraints of the fiscal straitjacket created by the deficit that we were left by Labour. Within those constraints we are of course striving to help those who are facing hardship with the cost of living.

My hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard) pointed out the impracticalities of having a single uniform peak throughout the country and that the Opposition transport team appear not to have read the speeches made by their leader or the shadow Chancellor. I particularly liked my hon. Friend's reference to the game of policy Twister that they have unfortunately had to play today.

The hon. Member for Lewisham East (Heidi Alexander) commented on the concern about the effect of inflation and fare rises. That is exactly the concern that the Chancellor responded to in his autumn statement in putting the limit on the average rise in national rail, tube and bus fares at RPI plus 1. That help for people struggling with the cost of living was welcomed by my hon. Friends the Members for Fylde (Mark Menzies), for Cambridge and for Milton Keynes South. We ought to pay tribute to the Secretary of State for her role in that. We were able to do that at the same time as delivering a major investment programme only because of savings made elsewhere in government to tackle the deficit—the kind of spending reductions that Labour has consistently opposed.

Mr Tom Harris: "Many families are feeling the pinch because of stratospheric fare increases—racing ahead of inflation—inflicted by the Department."—[*Official Report*, 24 July 2007; Vol. 463, c. 691.] Those are not my words, but those of the Minister in this House. Can she point out any improvements that have been made since then?

Mrs Villiers: The former rail Minister has made my point for me. The Opposition must be suffering from collective amnesia if they think that this problem suddenly appeared in May 2010 when the coalition took over. In 2006, a Labour-dominated Select Committee described the Labour Government as "breathtakingly complacent" on value for money in fares. The truth is that concern about rail fares has been growing for years, as my hon. Friends the Members for Bexleyheath and Crayford (Mr Evennett), for St Albans (Mrs Main) and for Milton Keynes South have said.

A major reason for the increases is that under Labour the cost of running the railways spiralled and hard-pressed passengers and taxpayers were left to foot the bill. It is fair that passengers contribute to the cost of running the railways and to the massive programme of upgrades that we are taking forward, but neither fare payers nor taxpayers should have to pay for industry inefficiency. This Government understand how vital it is to get the cost of running the railways down and to tackle the legacy of inefficiency that we inherited from Labour. That is the long-term, sustainable solution to delivering better value for money for taxpayers and fare payers.

Lilian Greenwood: The point that we are seeking to make is that when the Government say that fares will go up by inflation plus 1%, that is what they should go up by, not by up to 11%, which is what many people face this year as a result of the Government's decisions.

Mrs Villiers: The hon. Lady need not worry as I will come on to the fares basket in a moment. Before I do, it is crucial to say that we are determined to deliver our goal of ending the era of above-inflation fare rises. The only long-term, sustainable solution to delivering better value for money for taxpayers and fare payers is to get the cost of running the railways down, not the short-term, uncosted, poorly thought-through proposals that we have heard from the hon. Member for Garston and Halewood (Maria Eagle) this afternoon.

We have started reform already, with the reform of the franchising system and our commitment to further electrification to reduce costs. We are also determined to see the rail industry working together better, with a strong shared incentive to reduce costs and deliver better outcomes for passengers.

Another key plank of getting the cost of the railways down is making working practices on the railways more efficient. When Labour was in charge, pay in the rail sector rose more than twice as fast as it did in the economy more widely. Difficult decisions may lie ahead, and I do not believe Labour is capable of taking those decisions where the interests of the unions conflict with the goal of getting better value for money for passengers.

Mr Tom Harris: Will the Minister give way?

Mrs Villiers: No.

Labour failed to deal with the problem in government, and its heavy dependence on union funding would make it utterly incapable of dealing with it if the country were unwise enough to return a Labour Government. If the Opposition were really serious about getting better value for money for passengers, they would not be making glib announcements in the House; they would be remonstrating with their friends in the rail unions about a responsible approach to pay, from the boardroom to the platform.

I turn now to the fares basket and the flat cap on prices. Frankly, the shadow Secretary of State was in all sorts of trouble on the matter. The claim made by her and the Leader of the Opposition that the suspension of the cap was an ongoing policy, representing a dramatic change of heart by Lord Adonis, is simply not borne out by the facts of what Lord Adonis did in government.

Mr Harris: Will the Minister give way?

Mrs Villiers: No. The hon. Gentleman did not do anything about the flat cap in his entire time as a rail Minister, so I will not take his intervention on the matter.

Lord Adonis inserted in the franchise contracts a one-year suspension of the flat cap. That conflicts with what the shadow Secretary of State said today.

Mr Harris: I promise it is the last time, but will the Minister give way?

Mrs Villiers: No.

More important, the shadow Secretary of State has given us no indication of just how much it would cost to repeal the fares basket provision. Amazingly, she did not even seem to understand that it would have a cost. I can assure her that it would. She has given no credible explanation of how Labour would pay for the change, and whether it would come from higher fares, higher taxes, cuts in services, the cancelling of extra carriages or upgrades or more borrowing.

Just one day after the Leader of the Opposition finally acknowledged that dealing with Labour's deficit means that there is no more money left to spend and said that the Opposition would take a more responsible approach, the shadow Secretary of State stood at the Dispatch Box making spending commitment after spending commitment on rail fares, concessionary bus travel, local government funding, school transport, VAT—the list goes on and on. She and the shadow Minister, the hon. Member for Nottingham South (Lilian Greenwood), made several billion pounds of commitments today.

The truth is that when it comes to the cost of living and the economy, Labour just does not get it. It must be just about the only political party in the world arguing that the way to get out of a debt crisis is by borrowing more money. Whether it is a credit card bill or the international gilts market, that simply does not work. There is no way that interest rates could have stayed at today's low levels without the action that we have taken to deal with the deficit and avert the crisis enveloping other European countries with public finance positions almost as bad as ours.

In government, Labour brought this country to the brink of bankruptcy, leaving Britain with one of the biggest structural deficits in the developed world. Today's debate demonstrates that, contrary to what the Leader of the Opposition said, Labour has learned nothing in opposition. The biggest threat to the cost of living in this country is the spiralling interest rates that we would get if we gave way to the demands that Labour makes every single day in the House for more and more spending.

It is clear that if Labour had won the last election—thankfully it did not—it would have utterly failed to take the tough decisions needed to get the deficit under control. That would have had disastrous consequences for the cost of living for millions of families right across the nation. I urge the House to reject the motion.

Question put.

The House divided: Ayes 251, Noes 319.

Division No. 420] **[4.29 pm**

AYES

Abbott, Ms Diane	Benton, Mr Joe
Abrahams, Debbie	Berger, Luciana
Ainsworth, rh Mr Bob	Betts, Mr Clive
Alexander, rh Mr Douglas	Blackman-Woods, Roberta
Alexander, Heidi	Blears, rh Hazel
Ali, Rushanara	Blenkinsop, Tom
Allen, Mr Graham	Blomfield, Paul
Anderson, Mr David	Blunkett, rh Mr David
Ashworth, Jonathan	Bradshaw, rh Mr Ben
Austin, Ian	Brennan, Kevin
Bailey, Mr Adrian	Brown, rh Mr Gordon
Bain, Mr William	Brown, Lyn
Balls, rh Ed	Brown, rh Mr Nicholas
Banks, Gordon	Brown, Mr Russell
Bayley, Hugh	Bryant, Chris
Beckett, rh Margaret	Buck, Ms Karen
Begg, Dame Anne	Burden, Richard
Bell, Sir Stuart	Burnham, rh Andy
Benn, rh Hilary	Byrne, rh Mr Liam

Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Healey, rh John
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Mitchell, Austin
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Dame Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mark Hendrick and
Yvonne Fovargue

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brine, Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*

Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Sir Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Heald, Oliver
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Lidington, rh Mr David
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Soames, rh Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, rh Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mark Hunter and Jeremy Wright

Question accordingly negatived.

Energy Prices

[Relevant documents: The Fourth Report from the Energy and Climate Change Committee on Electricity Market Reform, HC 742, and the Government's response thereto (Sixth Special Report, HC 1448), and the Sixth Report from the Committee on Ofgem's Retail Market Review, HC 1046, and the Government's response thereto (Eighth Special Report, HC 1544.]

4.44 pm

Caroline Flint (Don Valley) (Lab): I beg to move,

That this House believes that soaring energy bills are driving up inflation, contributing to a cost of living crisis afflicting millions of families, and that the energy market is not serving the public interest; notes the motion passed by this House on 19 October 2011 calling on the Government to investigate mis-selling, simplify tariffs, increase transparency of trading data, require energy companies to use their profits to help with bills this winter and reform the energy market to increase competition and drive down energy bills; regrets that since then the Government has failed to deliver on any of these measures; further notes that consumer efforts to control their energy bills have been undermined by cuts to the Feed-in Tariff and Warm Front scheme, and that there are serious concerns about whether the Green Deal will be taken up by, and work for, consumers; notes that over 90 per cent. of eligible families will not receive the Warm Homes Discount in 2012; calls on the Government to require energy companies to provide the lowest tariff to over 75s and use their profits to ensure that all families eligible for Cold Weather Payments receive the Warm Homes Discount; and further calls on the Government to reform the energy market to make it competitive and responsible, to cut VAT on home improvements to 5 per cent. for 12 months and to ensure that the Green Deal is offered on fair terms to consumers which will deliver real savings in energy bills.

May I wish you a happy new year, Mr Deputy Speaker?

Less than three months ago, the Opposition warned that soaring energy bills were driving up inflation, squeezing household budgets and contributing to the cost of living crisis afflicting millions of families. We warned, too, that trust in the energy sector had fallen to dangerously low levels as people grew sick and tired of the energy companies' sharp practices. We set out a clear plan to provide real help now, as well as to reform the way in which our energy market works. We called on the Government to investigate the scandal of mis-selling, and to ensure that people were properly compensated. We also urged them to simplify tariffs, in order to put an end to the disgrace of four out of five families paying more for their energy than they needed to. We asked for more transparency on energy companies' trading data, so that the public could see for themselves how much the companies were paying for their energy, as well as how much they were charging for it. We argued for a radical overhaul of the way in which our energy market was structured, to break the dominance of the big six and increase competition in order to drive down bills for families and businesses. We also called on the Government to make the energy companies use their record profits to help people with their bills this winter.

The Government did something unusual—so unusual that the Government Whip on the Front Bench at the time seemed surprised by it. They backed our motion. They agreed to support our plans. Indeed, commenting on the Labour motion, the Secretary of State said that

"there is nothing we disagree with".

He went on to say that

"sympathy from the sidelines is not enough. It is our responsibility to do everything we can to help."—[*Official Report*, 19 October 2011; Vol. 533, c. 944.]

Today, however, the scale of the Government's failure is clear. More families are in fuel poverty and struggling to heat their homes. Consumer Focus says that a quarter of all households in England and Wales—5.7 million in all—are now in fuel poverty. National Energy Action fears that the figure could be as high as 6.6 million. These are levels not seen since the dog days of the last Conservative Government. The number of households in debt to their electricity and gas suppliers is up, too, but energy companies' profit margins are still in excess of £100 per customer per year.

Alok Sharma (Reading West) (Con): It is all very well for the right hon. Lady to lecture the Government, but in the last six years of the Labour Government, the number of households in fuel poverty rose by 2.8 million. Is she proud of that record?

Caroline Flint: I am proud of the fact that, by the time we left government, there were 1 million fewer people in fuel poverty. That included 500,000 in the most vulnerable households. The fact is that we took measures to tackle fuel poverty. Is there more to do? Yes. But what is happening now is that the figures are going up and, as I will demonstrate, this Government are not helping; they are hurting.

Confidence in the energy companies is at a near record low. Less than half of the public are satisfied with their energy supplier, yet energy company bosses have awarded themselves huge pay rises and bumper bonuses totalling millions of pounds. Complaints to the energy companies have soared, often over dodgy tariffs or incorrect billing or meter readings. There have been 4 million complaints in the past year alone, and the figure has gone up by 26% in the last three months. Today's Which? report shows that one in five customers who have had problems with their energy supplier did not even make a complaint, and that nine out of 10 complaints are unresolved and never make it to the energy ombudsman. As much as £4 million in compensation is going unclaimed. There are real concerns about whether the watchdogs, the consumer groups, and organisations such as the energy ombudsman and Ofgem have the powers that they need to protect the public. We need to think clearly about the kind of infrastructure that is needed to ensure that those organisations do their job.

Time and again, we see a Government who are not just out of touch but completely unable to stand up to vested interests in the energy industry. Far from doing everything they can to help, this Government are making things worse, not better, for millions of hard-working families. Their failing economic policies mean that the average family faces the worst squeeze on income since records began in the 1950s, with families and children hardest hit.

What, then, are the Government doing to help people? What have they done for pensioners forced to choose this winter between heating their homes and having a hot meal? They have cut the winter fuel allowance, despite promising not to. We have been honest that under a future Labour Government that might be

[Caroline Flint]

something that we cannot reverse, but let us be clear about the facts. Before the election, we warned that the Conservatives wanted to cut the winter fuel allowance. In response, the Prime Minister said:

"We would keep the winter fuel allowance. Let me take this opportunity to say very clearly, to any pensioner who is watching this or reading any of these reports, I know that you are getting letters from the Labour party saying the Conservatives would cut the winter fuel allowance...Those statements from Labour are quite simply lies."

Our 12.7 million pensioners now know that we were not lying.

The Government, however, have tried to change the story. Now they like to say that the decision had already been taken by the last Government. Even today, the Prime Minister repeated that allegation. It is simply not true. When Labour left office, the decision had not yet been taken. It was perfectly within the Government's power to continue with the extra payment, as Labour Chancellors had in previous years, but they chose not to. This Government took the decision in last year's Budget—and they should take responsibility for it.

Several hon. Members *rose—*

Caroline Flint: The difference between Labour Members and Government Members is that we do not just give up; we look to find other ways to help pensioners with their fuel bills. Nobody should have to pay more for their energy bills than they need to. This is especially important for pensioners over 75 who are more susceptible to the cold and least able to take advantage of online deals. That is why my right hon. Friend the Leader of the Opposition announced yesterday that, to start with, we would ensure that all pensioners over 75 got the lowest tariff on offer, saving them up to £200 a year—on the Government's figures, not ours. There might be less money around, but for those 4 million pensioners, Labour can still deliver fairness in these tough times—not by spending more money, but by saying to the big six energy companies that, at a time when people are struggling yet they are enjoying strong profits, they must act in a way that is responsible and fair to the public.

Andrew Percy (Brigg and Goole) (Con): Does the shadow Secretary of State agree that whatever the situation with the winter fuel allowance, one thing that would have put a lot more money into pensioners' pockets is the restoration of the link between pensions and earnings—something Labour promised in 1997. They failed to deliver that yet we delivered in our first Budget, which will bring about a record rise in pensions this year?

Caroline Flint: One of the first actions taken by the Labour Government after winning in 1997 was to look at the situation of the poorest pensioners in our country, many of whom were women who had never been able to earn enough to have a second pension. We had priorities in respect of what we were going to achieve—pension credit, the winter fuel payment, other support through the Warm Front scheme: we did more for pensioners than any Government for generations. What is happening is that we are now going backwards, not forwards.

Mr Dave Watts (St Helens North) (Lab): Does my right hon. Friend agree that it is not what people say, but what they do? The last Labour Government took pensioners and families out of poverty, while introducing help and assistance for fuel costs. This Government have cut fuel cost assistance and are putting more people into poverty. Is that not the difference—not what we say, but what we do?

Caroline Flint: My hon. Friend is absolutely right: actions speak louder than words. The actions going on at the moment mean that the number of people in fuel poverty is going up and there is less support coming forward to help the most vulnerable. We are heading for a car crash when the Warm Front scheme ends and we wait to see whether the green deal will happen in a way that will help people. I shall say a little more about that later, and I am sure my hon. Friends will want to make some points about it in their contributions.

Let us talk about helping low-income families with their energy bills. The Secretary of State likes to boast about the warm home discount scheme. He says it is a statutory scheme and that Labour had only voluntary agreements—never mind that those voluntary agreements secured £375 million to help almost 1.6 million households with their energy bills over three years. What the Secretary of State forgets to say is that the present scheme exists only because Labour legislated for it when we were in office. When the present Government decided to take it on, we warned that, on the basis of their plans, they could exclude hundreds of thousands of people from the help that they needed.

In Committee, my hon. Friend the Member for Liverpool, Wavertree (Luciana Berger) said

"there are concerns about the make-up of the broader group and the discretion given to energy companies to fund it."

She asked for assurances

"that the Government will evaluate how effective the discretionary nature of the broader group will be and, if necessary, take steps to expand the core group if households are falling through the gap".—[*Official Report, Third Delegated Legislation Committee,* 28 March 2011; c. 6.]

The Government did not heed those warnings, and, as research by Save the Children revealed last week, only 3% of families who are eligible for help from the warm home discount scheme will receive the support to which they are entitled this year.

The Secretary of State may try to tell us that more people will be helped as the scheme develops, but those families need help now, not in three or four years' time. This is not about spending more money or adding to customers' bills; it is about standing up to vested interests in the sector, and telling them that they have a responsibility to their customers and to the public.

The Government are not only cutting help for people in need, however. They are also hitting families who want to do their bit—who want to do the right thing, to have more control over their energy bills, and to make their homes more energy-efficient. The Government's disastrous and chaotic cuts in the feed-in tariff for solar power will be back in court on Friday. In defence of their plans, Ministers have been forced to resort to ever more outlandish claims about how much it is costing the public. First it was £26 a year, then it was £40, then it was £80. The actual figure—what it is really costing consumers—is just 21p per household per year, compared

with average bills in excess of £1,300. What the Government do not seem to understand is that one of the reasons why so many people, especially pensioners, chose to install solar was the fact that it enabled them to control their energy use and cut their bills.

Guy Opperman (Hexham) (Con): Today the Select Committee on Energy and Climate Change heard some of my constituents give evidence on the issue of off-grid energy. May I ask a simple question? Is the Opposition's policy to regulate it—yes or no?

Caroline Flint: We have had a number of debates on the subject. One of the problems with off-grid energy is that some of the schemes that the Government are coming up with do not help the people who are affected by it. I shall say more about that later in the context of the green deal. There are real questions about who will be excluded, but we are talking today about energy prices, and about what we can do to make the market more competitive and responsible.

I look forward greatly to learning what the Select Committee has discussed in relation to off-grid energy, and will think about some of its recommendations. We will make up our own minds about what we should do, but I acknowledge that there is a problem. During the three months for which I have had my present job, it has arisen many times in debates. I also acknowledge that there are insulation problems for many people in rural communities whose homes have solid walls. I am afraid that I cannot give the hon. Gentleman chapter and verse today, but he can be reassured that the issue is on my radar.

Barry Gardiner (Brent North) (Lab): The witnesses who gave evidence to the Select Committee made it clear that the statutory protections that exist under the licences for mains gas or electricity supply do not exist for off-grid gas customers, who are the vulnerable customers. Will my right hon. Friend at least consider committing the Opposition to regulation if the code of practice that the industry is seeking to introduce on a voluntary basis is inadequate to secure such protections for those customers?

Caroline Flint: I feel that the time has come for us to take stock of our position. The first line of the motion refers to an energy sector that works in the public interest. That does mean that we can still support competition, and I think there should be more competition in the sector. For all types of energy—on-grid and off-grid—it is time that we had another look at what is happening in the market. For me, energy is not like buying a phone or a car; rather, it is essential to life, and therefore a higher order of accountability is required. I will be very happy to look at the issues raised by the Committee. Select Committees are useful for the Opposition as well as the Government. I will be very happy to talk to my hon. Friend and to the hon. Member for Hexham (Guy Opperman) and to see what the Select Committee comes up with, but I think the time for standing by has passed.

Robert Flello (Stoke-on-Trent South) (Lab): In Blurton in my constituency, there was the fantastic sight of houses having photovoltaic panels erected on their roofs, but the project that E.ON had with Stoke-on-Trent city council covering thousands of houses across the city has now been cut short. E.ON said to me that it understands why the Government were looking at the issues of feed-in tariffs and the cost, but it cannot understand why it was given six weeks to complete projects that were going to take five weeks to bring in.

Caroline Flint: It is always very helpful to hear of real examples. We have listened to many smaller businesses in this sector of course, but even the big six energy companies have concerns about the way the Government have gone about changing the rules on solar. Sadly, about 100,000 social homes may not get solar in the future because of these changes. We all agree that the tariff should come down, but, aside from that point, if the Government's plans go ahead, people will only be able to have solar if their home is a category C residence in terms of efficiency, and therefore about nine out of 10 homes in England will no longer have the option of having solar even under the changed rules and tariff. This is another example of bad management of a project that was clearly popular among the public and that has created jobs—the sector is one of the few that has experienced growth.

In the long run, we know that the most sustainable way for people to cut their bills is for them to use less energy.

"Energy efficiency is a no-brainer because it makes homes warmer and cheaper to run."

Those are not my words; they are the words of the Secretary of State from back in September, but what has actually happened on his watch? The number of families getting help to insulate their homes or make them more energy efficient has plummeted.

Let us take the month of April as a point of comparison. In April 2010, the month before the general election, more than 15,000 households got insulation measures through Warm Front. In April 2011, just six households got insulation through Warm Front—not 6,000, 600 or even 60, but just six. The Minister of State, the hon. Member for Bexhill and Battle (Gregory Barker), has said that this year he expects 50,000 households to get help with insulation through Warm Front, but so far fewer than 15,000 properties have been helped—not even a third of what the Minister promised. On the current trend, fewer than 20,000 households will get help with insulation this year, a fall of more than 90% on what we delivered in our last year in office.

The Minister of State, Department of Energy and Climate Change (Gregory Barker): Unfortunately, the right hon. Lady is making completely the wrong point. Warm Front does not deliver insulation; it introduces heating systems for people who do not have heating systems. Insulation is primarily the responsibility of CERT, the carbon emissions reduction target, and CESP, the community energy saving programme. Warm Front is not primarily an insulation programme. Perhaps she would like to try again.

Caroline Flint: Well, I have to say that some of my constituents have had help with things such as boilers, heating and also insulation.

Robert Flello: I am deeply troubled by the Minister's intervention. If he visits my constituency, I will take him to houses that have had loft insulation put in through the Warm Front scheme, and to properties that

[Robert Flello]

have had replacement boiler systems fitted, not systems fitted for the first time. That is not the point he made a moment ago, as he will see if he checks *Hansard*.

Caroline Flint: The truth is that the Government are not on the same planet as most of the rest of us.

What the Minister did not answer is why the number of homes being fitted with insulation went down from 15,000 to six within a year. That is the question the Government should answer today. Let us be clear: when Warm Front is finally abolished next year, this will be the first Administration since the 1970s not to have a Government-funded energy efficiency programme in place. That is disgraceful. But, it is okay, because they say, "Don't worry, we've got the green deal." However, real questions have to be addressed about whether the green deal will be offered on fair terms and will actually deliver real energy bill savings, and whether it will really work for the public.

Let us start with the interest rates. Time and again, Ministers have been asked what sort of finance will be available to households interested in taking up the green deal. Time and again, they have failed to provide a straight answer. The reality is that if the level of interest is too high, given all the other pressures that families face at the moment, they will just not be interested in taking it up. Polling conducted by the Great British Refurb Campaign found that only 7% of home owners would be interested in taking up the green deal if the interest rate was 6% or more. However, we are hearing that the rate could be as high as 8% or 10%, so I ask the Secretary of State again today whether he can assure us that the green deal will be offered on fair terms and at a fair rate to the public.

In the autumn statement, the Chancellor also announced £200 million to provide incentives for the green deal. We still do not know what that money will be spent on or how it will encourage take-up. Most important of all, the fundamental idea behind the green deal—the "golden rule", as the Government like to call it—is that the savings from better energy efficiency should cover the costs of the green deal. That is the promise being made to the public, but on looking at the small print, it is clear that the golden rule is not so golden after all. There is no guarantee that bills will not be higher after the green deal. If there is no guarantee, there is a real concern about the potential for mis-selling. The danger of what might happen out there is obvious: people will say, "We're a Government-backed scheme—we promise you this", but down the road they will not deliver. This measure will not balance out the costs that people are having to pay. In the light of stories about people not saving money or unwittingly inheriting higher energy bills after buying a green deal property, any credibility the scheme had will be shot to pieces.

Tessa Munt (Wells) (LD): Will the right hon. Lady consider the fact that after a green deal installation, people might find themselves in a home that is at least warm, even if their bill is the same? They might not have saved any money, but they will for the first time be warm in their homes.

Caroline Flint: The warmth issue is not really part of the equation. The question of what this measure should mean has been discussed in Committee. The "golden rule" is about people saving money. With all due respect to the hon. Lady, the problem is that the scheme should be far further forward than it is. We already know from what has happened with solar that a number of businesses doubt whether they are going to enter the field to work within the green deal. For example, those involved in insulation are worried about the measure's impact on the work they do, an issue I will say a little more about later.

So many questions have been left unanswered, and any Government scheme that allows anyone to go out and say that they are Government-backed has to stand up to scrutiny. We have to make sure, first, that the public are not priced out of taking part, but we must also ensure that they do not become the victims of cowboys involved in the scheme.

Several hon. Members *rose—*

Caroline Flint: I am going to make a bit of progress. The Department of Energy and Climate Change website actually states:

"The Warm Front scheme provides heating and insulation improvements to households on certain income-related benefits",

and it goes on to refer to grants for loft insulation and draught-proofing—I rest my case.

Perhaps the Government will also respond to firms, such as those I have met, undertaking cavity wall insulation, which provide a sensible, professional product under the carbon emissions reduction target—CERT—scheme. Some 6 million homes have cavity walls without insulation, and 10 million lofts do not have insulation. That provides enough work for a whole industry to do—work that is good both for the public and for the environment. However, I understand that, under Government proposals, if this work is to be undertaken under the green deal, a full assessment of the property will have to be made—the householder's lifestyle and behaviour will be included in this. The assessment sounds as if it will have to be paid for by the consumer, yet the work that they wish to have done may be blindingly obvious. I hope that the Government will ensure that the public and businesses are still able to improve the energy-efficiency of homes without being forced through a bureaucratic and unnecessarily costly process.

With the end of the Warm Front scheme, and of the community energy saving programme and CERT, what will happen to families in fuel poverty, or in hard-to-treat homes, for whom the green deal might not be suitable? The Government's solution is the energy company obligation—ECO—but only a quarter of the money from ECO will help households in fuel poverty; the rest will go to able-to-pay households. So the Government's promise that ECO will do more to tackle fuel poverty than either CERT or the Warm Front scheme just does not stack up. In what way is ECO's £325 million a year for fuel-poor homes greater than last year's Warm Front budget of £370 million or the CERT spending of nearly £600 million on priority groups?

We know that as well as coming up with policies, even in these tough times, to help families with spiralling energy bills now, we must also reform the energy industry to secure a new bargain in the future. I have said it

before and I am going to say it again: to start with we have to deal with the sheer number and complexity of tariffs on offer. We have 400 tariffs, with about 70 new ones in the past year. They are confusing and unfair, and they must be reformed. At his infamous energy summit in the autumn, the Secretary of State implored people to switch. Perhaps he could tell us today exactly how many people took his advice and switched, and how much they have saved. The problem is not that people are not shopping around enough; the real problem is that there are too many tariffs on offer, that they are too complicated to understand and that even when people do switch, they do not always get a better deal.

Mr Watts: Does my right hon. Friend agree that it is clear that the energy companies have made the tariff system as complicated as they can? Is it not a fact that even when people do switch and take the Prime Minister's advice, they often find that they get a worse deal than the one they started with?

Caroline Flint: I am afraid that that is the case. I have met a number of the energy companies over the past few months and they are obviously hurting as a result of the public criticism being directed their way. However, when we examine today's Which? report, we find that 4 million people complained in the past year and that the number of complaints rose by 26% in the past three months, so something is seriously not right. The real problem is that there are too many tariffs on offer. Having more than 400 tariffs is not about competition or choice, and it does not serve the public interest; it serves only the interests of the energy companies. So we need, as we have said before, a simple new tariff structure that is clearer and fairer, and that will help all customers to get a better deal. I know that consultations are going on at the moment, but the Government really need to step up the pressure. We should not be unable to knock a few heads together, and we need to do that sooner rather than later. We must keep the pressure on as that is the only way to make the companies change. The Which? report has highlighted the terrible situation with bills that were overestimated or incorrect as well as the mis-selling that went on in the past. We need a proper investigation and proper compensation for people who have been ripped off. Only then will we start to rebuild trust in our energy companies.

As well as a more responsive energy industry, we need a more competitive energy market. The energy market is dominated by just six firms that supply more than 99% of electricity and gas. Today we heard that EDF will cut its gas prices by 5%, but the public will ask why energy companies are still so quick to put up people's bills when wholesale prices go up but slow to bring them down when they fall as well as when the other big energy companies will follow suit.

David Mowat (Warrington South) (Con): I have in front of me a copy from the EU website of the gas prices for every country in Europe and it would appear that the UK has the fourth lowest gas price of the 27. What is the right hon. Lady's analysis of why that has happened?

Caroline Flint: First, that is not about the point I was making, but is the hon. Gentleman defending the way in which prices have soared in the past year? Is he defending the companies' atrocious record in dealing with people's complaints? I would not stand in his shoes and make that case. The truth is that prices need to be transparent and we need to know how they are arrived at. It is quite clear—it has been proved by an Ofgem report and the Secretary of State might back me up on this point—that there is evidence that when prices go up the bills go up far quicker than they come down when prices fall.

David Mowat: Will the right hon. Lady give way on that point?

Caroline Flint: No, I will not give way to the hon. Gentleman again.

The bigger issue is how we carry out a root-and-branch reform of the energy market for the future.

Mr Mike Weir (Angus) (SNP): I thank the shadow Secretary of State for giving way, and she is making a very good point. Rather than asking EDF why it is reducing the price by 5%, should we not be asking why it is doing so two months after putting it up by 15%?

Caroline Flint: It was actually 15.4%, but I do not want to be churlish. I am pleased that the prices have come down, but part of what we are seeing from the energy companies is due to the fact that they are starting to smart from the criticism levelled at them. The problem is getting worse and, as I have said, complaints have gone up and prices, which went up steadily over the past few years, have soared in the past year. We are not the establishment—the Government are, they are in the driving seat and they have the tools to do something about it. I only wish they would.

We must ask the fundamental questions, and the fundamental problem in defining whether prices are reasonable and fair and considering the other pressures on those prices is the fact that we are hampered by the lack of transparency in the market. The energy companies that generate energy sell it on to themselves and then on to customers. If the few big dominant firms were forced to sell the power they generate to any retailer, companies such as supermarkets and other independent retailers—like Good Energy, which came top of the poll for customer service in the Which? report—could play more of a role in the market. There would then be more competition and the upward pressure on prices would be eased.

Times are tough, we all know that, and we know that it means difficult decisions must be made. When times are tough, fairness is our first priority but, unfortunately, for the Government fairness is the first casualty. Millions of families and pensioners across the country are struggling with their energy bills and a cost of living crisis, but the Government are so out of touch that they are making things worse rather than better. They are cutting the help people get with their energy bills and scaling back on energy efficiency. By failing to stand up to the energy companies, they are letting down the public. We know that people need real help now and a more responsible and competitive energy market for the future. For those reasons, I commend the motion to the House.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. The wind-ups will start at about 6.40 pm. As hon. Members can see from the clock, we do not have a lot of time for

[Mr Deputy Speaker]

the debate so if people could have in their mind a five-minute limit and aim to make a four-minute speech we will be able to accommodate more Members. Brevity has to be the order of the day.

5.20 pm

The Secretary of State for Energy and Climate Change (Chris Huhne): Thank you, Mr Deputy Speaker. I shall try to take on board your injunction for brevity.

Last year, we saw a big energy price rise, which came on top of increasing petrol and food costs. With the cost of gas imports now falling, I welcome today's announcement from EDF, which has responded to the smaller companies leading the way such as Co-op and Ovo by joining them in cutting domestic gas prices. Some of the big energy suppliers were quick to pass on rising costs last year and it is only right that they should now pass on cost reductions to hard-pressed householders as quickly as possible. I urge the remaining five large energy suppliers to follow suit and give consumers some respite this winter. If suppliers do not reduce prices, consumers can send them a clear message by voting with their feet and taking their business elsewhere.

Mr Watts: On that point, has the Secretary of State contacted those energy companies and made it absolutely clear that if they do not drop their prices, he will take action to force them to do so?

Chris Huhne: I have been very rapid in my reaction to the EDF announcement and I have been pressing the energy companies and saying that they need to act to inform their customers about the cheapest tariffs.

The House last debated this topic in October, when I said that simply expressing concern and sympathy for those who are struggling to pay their bills is not enough. It is our responsibility to do everything we can to help. The clear steps we have taken to increase competition are working and it is right that energy companies should feel the pressure to keep bills down. We are not complacent and I can report that the action I promised then to help people with their bills is taking place now.

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): In the objectives that the right hon. Gentleman has set for himself and no doubt for the Government he makes the point about keeping energy prices down. Is he satisfied that Ofgem, the regulator, is exercising the powers that it has? Are those powers insufficient?

Chris Huhne: I am grateful to the right hon. Gentleman for raising that issue, which I shall address in greater detail. Ofgem is working closely with us on this and I think it is tackling many of these issues. I will give further detail on that.

Following the consumer energy summit, at which my right hon. Friend the Prime Minister and I brought energy suppliers, consumer groups and Ofgem together, we have been working together to make sure that consumers know about the help that is available and about how they can cut their energy bills this winter. In October the Government launched the "Check, switch, insulate to save" campaign on the Directgov website, and next week Citizens Advice is co-ordinating a big energy week campaign. Big energy week is designed to connect consumers who are struggling to cope with energy bills with the support available to help them to reduce their energy costs and maximise their income. More than 100 events will take place across the country, reaching out to people who might not know about those schemes.

In December, Ofgem published for consultation radical proposals to require suppliers to simplify their tariffs and billing information so that consumers can compare suppliers' deals much more easily. Currently, as the right hon. Member for Don Valley (Caroline Flint) has pointed out, more than 400 different tariffs are available. Frankly, this leads to confusion rather than to greater choice. I suggest that is part of the reason why the switching of rates in the UK has declined over time. Ofgem's proposals should help consumers to identify more easily the best deal for them. I support Ofgem's work in this area and will continue to work with it to boost the transparency of bills and competition in the energy market.

It should be quick and easy to switch supplier. As part of our implementation of the EU third energy package in November, we have cut to just three weeks the time it takes to switch. Citizens Advice and Ofgem have received the highest level of funding yet from suppliers for the energy best deal campaign, which helps vulnerable consumers to shop around for the best available deal. Even without changing supplier, millions of households could save just by switching tariffs or payment method.

As agreed at our consumer energy summit, suppliers are placing messages on the front page of all bills to encourage consumers to phone them or visit a website to find out if they could be saving money. They are also writing to about 8 million customers who pay on receipt of their bill to tell them that they could save up to £100 a year if they move to direct debit payment. Nearly all these letters have now been delivered.

Tessa Munt: Has my right hon. Friend made any progress in sorting out the situation faced by people who have prepayment meters and therefore do not receive a bill? It is difficult for them to establish what they are paying over any period, and the most vulnerable customers are often in that situation.

Chris Huhne: I am grateful to my hon. Friend for the concern about prepayment meters. It is one thing that we have been looking at closely. Thankfully, people on prepayment meters are not paying more than was previously the case, and that is a step forward. I am sure there is more work to be done and we are looking at it closely.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): The hon. Member for Wells (Tessa Munt) raised the issue of people on prepayment meters. There are two other key issues concerning people. One million households across the UK do not have access to a bank account so they cannot have direct debits; likewise, there are those who do not have access to the internet—the digital divide.

Further to the point that the Secretary of State made about the energy companies that are writing to their customers, I received one of those letters asking me to go on to direct debit. I called my energy company, E.on. It wanted to put me on to a monthly payment, which would have cost me at least a third more and I would

have had to wait until May before I could reassess the situation. So even when energy companies are writing to their customers, myself included, they are not offering consumers the best deal. I cannot move on to direct debit because the company wants to charge me more than I pay already.

Chris Huhne: I can only recommend that the hon. Lady look at switching energy supplier to see whether she can find a better deal. We know from Ofgem that people can save substantial sums of money by doing that—£200 a year. Her particular case is obviously regrettable.

Barry Gardiner: The Secretary of State rightly talked about the simplification of tariff structures. Will he give a commitment to the House to look carefully at the possibility of enforcing a rising block structure? In an era of rising energy costs, it seems inequitable that the highest per unit cost should be paid for the first tranche, which of course the poorest families have to use. We should be applying the "polluter pays" principle, which means that as we use more energy, we pay more per unit for it. Please will the right hon. Gentleman look at that?

Chris Huhne: The hon. Gentleman makes a good point. One of the first things I did on becoming Secretary of State was to ask for a serious look at the issue. It is unfortunately much more complicated than one might suppose at first glance, not least because there is such an enormous variation in energy use in different income groups. For example, among the poorest people measured by income, the variation in energy use, off the top of my head, was as much as a multiple of six. There could be dramatically different effects from a rising block tariff, which do not correspond neatly to what the hon. Gentleman and I would want.

We want the companies to take more account of the wholesale market. Up like a rocket and down like a feather—that was the old days, and it must end. I agree with the right hon. Member for Don Valley in her points on that, although I note that Ofgem did not find evidence that that was the case. We are helping, through greater competition, to get the consumer the best deal and we have done a great deal to defend the consumer interest over the past 20 months—rather more, I would say, than the right hon. Lady's Government did in 13 years.

Caroline Flint: Will the right hon. Gentleman answer my question? How many consumers have switched since the energy summit?

Chris Huhne: I will let the right hon. Lady know the information as soon as we have it. When it is available, I will write to her.

It is important to get the message across that households can save money not only by switching supplier, but by using less energy. Insulating lofts and walls can cut energy bills. The six largest energy suppliers all offer free or cut-price insulation, yet many households still have not taken up the offer. That is why the Government are writing to 4 million of the most vulnerable energy customers to tell them that they are eligible for free or heavily discounted loft or cavity wall insulation, and I am pleased to say that the initiative has been funded by suppliers.

Mr Weir: Following up on the Secretary of State's answer to the hon. Member for Wells (Tessa Munt), I note that Ofgem stated in its briefing for the debate:

> "The number of gas and electricity customers paying by prepayment meters has increased compared to the same quarter in 2010, by 6% and 4% respectively".

Those are worrying statistics indicating that people are moving to prepayment meters and falling through the gaps despite the Government's attempt to contact them and get them on to cheaper tariffs.

Chris Huhne: I agree with the hon. Gentleman. Sadly, during tough times people tend to fall behind with energy bills and so can be moved on to prepayment meters. One of the things that it is very important the Department does is try to ensure that those who no longer need to be on prepayment meters, from a credit point of view, are moved back so that they pay more directly and can take advantage of those schemes.

Bob Stewart (Beckenham) (Con): If the Government are writing to so many vulnerable people, can we not make it as simple as possible? When we start talking about the elderly shopping around, why can we not just say, "Here are two or three very good deals that will work for you", and then use that to ensure that energy providers bring their prices down? We should say to energy providers, "We are going to recommend this, so you had better bring your prices down." That is what we need. We want to keep it as simple as possible.

Chris Huhne: I entirely agree with my hon. Friend on the need to continue the whole process of clarifying energy bills and making them simpler so that they are absolutely transparent and people find it easier to switch. That applies to all age groups. Compared with those of us in our 50s, those in their 60s and 70s—the silver surfers—actually do more on the internet, so we should not underestimate the ability for that to happen.

My hon. Friend might be interested to know that the letters the Government are sending out direct customers to a dedicated independent helpline as part of our programme to ensure that an extra 3.5 million homes are properly insulated by the end of 2012, and later this year we will be rolling out the green deal to help even more households save money through energy efficiency. We are ensuring that extra support is available this winter for the most vulnerable households. We are requiring energy companies to provide help to around 2 million low-income households through the warm homes discount, at a cost of £250 million for 2011-12, which is 40% more in cash terms than last year under the voluntary arrangements operated by the previous Government.

The right hon. Member for Don Valley made much of our apparent meanness on this exercise, but I do not see how the Government can be accused of being mean to those in the most vulnerable groups when it comes to energy bills when we are increasing the warm home discount by 40%. The scheme will help around 600,000 of the poorest pensioners with a core group discount of £120 this winter. We are spending £110 million on heating and insulation for low-income and vulnerable households living in energy-inefficient housing through the Warm Front scheme. We will also provide winter

[Chris Huhne]

fuel payments to pensioners and cold weather payments to some households in areas that have extended periods of very cold weather.

Robert Flello: Many of the houses in my constituency and others were built without cavities. Often people take the opportunity to insulate their roofs and loft spaces but cannot do more because there are no more cavities to fill. What will the Secretary of State do about that?

Chris Huhne: The hon. Gentleman's constituency is clearly a perfect place for the green deal, because the ECO subsidy will in part subsidise solid-wall homes with solid-wall insulation. That will be a very substantial step forward for many people who have not been in a position to benefit from energy efficiency because they have not had cavities to fill. A very large number of people in housing built before the first world war, and in more recent housing built quickly after the second world war, are in that position, and this measure will help.

Chris Heaton-Harris (Daventry) (Con): There was a ten-minute rule Bill yesterday on park homes. Will they benefit from the green deal?

Chris Huhne: Park homes will be eligible for the green deal. We in the ministerial team are very keen to ensure that park homes, which are often the Cinderella of the housing stock, are looked after, and we are trying our best to ensure that they are eligible for the full array of measures that are available elsewhere.

The new energy company obligation, alongside the green deal, will include support not just for solid-wall insulation, which I mentioned to the hon. Member for Stoke-on-Trent South (Robert Flello), but provide "affordable warmth" to low-income and vulnerable households, through heating and insulation measures. That is the direct replacement for the Warm Front scheme, so the right hon. Lady's charge that we are the first Government not to pay for help through public expenditure is disingenuous, because there will be help, but it will be delivered in a different way through the ECO subsidy, and with greater targeting and, I believe, greater help.

Those policies will make a difference this winter and next, but, as I said in October when I addressed the House on this topic, we also need to take the right long-term decisions so that energy does not become unaffordable. We must keep the lights on in the cheapest, cleanest way to ensure that households get the best deal in the long term. Over the next 10 years, we need £110 billion of investment in power plants and another £90 billion of investment in energy infrastructure to avoid the risk of blackouts. We must invest now not only to improve our energy efficiency, so that we do not need to produce as much energy to keep warm, but to reduce our dependence on fossil fuels in the long term, so that we do not have to rely on ever-more expensive imports.

Alec Shelbrooke (Elmet and Rothwell) (Con): I wonder whether we are in the position we are in today because of the previous Administration's inability to take the decisions needed to ensure that we had a firm energy future.

Chris Huhne: My hon. Friend is absolutely right. The story of energy policy under the previous Government is one of stopping and starting, and of failing for many years to face up to the need to deal with the problem of renewing our energy infrastructure. But we are not dithering or delaying any longer: we in this Government are biting the bullet. We are determined to proceed with what is necessary to ensure that we have clean, green and secure energy for our nation.

Our proposals to reform the electricity market will deliver the best deal for Britain and for consumers, ensuring secure, low-carbon electricity supplies, and providing green jobs.

Malcolm Wicks (Croydon North) (Lab): This is not the point that I was going to make, but I recall the Labour Government making the difficult decision on nuclear so convincingly that even the Liberal Democrats are now in support.

On the long-term issue, however, what is missing from this debate is the global dimension, although the Secretary of State has touched on it. Given that world energy demand is going to increase by 30-odd% in the coming years, with consequences for pricing, has the Department made any forecast of the implications for British energy prices and costs over the next 10 or 15 years?

Chris Huhne: I very happily exempt the right hon. Gentleman from my strictures about the previous Government's policy, because when he was in the post of Energy Minister he certainly took some tough decisions, but sadly the record over the 13 years is not one of which Labour Members can be proud.

On energy prices, the right hon. Gentleman is absolutely right, and we have of course produced a forecast in the annual energy statement. Like all forecasts, it gets more uncertain the further out it goes, but it does point to a rise over time in oil and gas prices worldwide because of increased demand from, in particular, the far east. One of the current environment's most striking features, about which there ought to be much greater public awareness and debate, is the sharp recovery in oil, gas and other commodity prices, despite continued relatively slow growth in Europe, the United States and Japan. This is the first time that that has happened in the post-war period. That shows the influence that the rapid growth and catch-up in the far east will have on world commodity prices.

Guy Opperman: I merely reiterate the point that with 24% of the north-east in fuel poverty, the situation in relation to heating oil and liquefied petroleum gas for off-grid customers is clearly unsatisfactory. Does the Secretary of State accept that and what specifically does he intend to do about it?

Chris Huhne: My hon. Friend makes a good and important point. People who are off-grid have traditionally had to deal with substantially higher costs than those who are on grid, and that continues to be the case. The case for regulating off-grid is weak, because as long as the market is competitive, it ought to deliver a reasonable result for consumers. I was surprised, as were other members of the ministerial team, that when we asked the Office of Fair Trading to look at the market, it was

given a clean bill of health on competition grounds. We need to continue to watch this situation and we are very much on the case. With the renewable heat incentive and the green deal, it will be important that people who are off-grid think about other options rather than being reliant on heating oil, such as ground source heat pumps and biomass, which can already be cheaper than on-grid options.

Graham Stringer (Blackley and Broughton) (Lab): The Secretary of State correctly points out that all projections on future energy prices show an upward trend. There is a debate about how much of that is down to renewables. One interesting difference between the UK and European market and the United States market is that there has been a decoupling of the gas price from the oil price in the north American market because of the intense use of shale gas that has been developed. What will the right hon. Gentleman do to develop shale gas in Lancashire and elsewhere in this country to change the projections so that the price of gas goes down?

Chris Huhne: I am grateful to the hon. Gentleman for his question. Shale gas is potentially an exciting development that could bring enormous prosperity to the parts of the country where it has been found, such as Lancashire. Provided that all the environmental safeguards are properly in place, it presents the opportunity to reduce the cost of gas. Of course, for the same calorific value, gas is about half as polluting in carbon terms as coal. Used with carbon capture and storage, it may be a long-term source of electricity generation. We are looking closely at this issue. We have been in contact with Cuadrilla, the energy company that has been involved in exploration in Lancashire. I hope that we will be able to make progress. Crucially, we must learn the lessons from the mistakes that were made in the United States. I do not want to see water tables contaminated; nor do I want the industry to be exempted from the provisions for clean water, which is what happened in the United States. There will be a different regulatory environment. In that context, I am sure that we can see success.

As so many people want to speak, I will curtail the remarks that I was going to make about our work with Ofgem. I will simply say again that we are considering giving Ofgem powers to order companies to provide redress to consumers who lose out as a result of a company's regulatory breach. As a result of our implementation of the EU's third energy package, companies are no longer able to block action by the energy regulator, Ofgem, by forcing it to seek a second opinion from the Competition Commission. We are determined to be on the side of the consumer in ensuring that the market is as competitive as we can make it.

We are doing everything that we can to help households with their energy bills this winter. On tariffs, bills and insulation, we are making it easier for people to save money and energy. We are taking action to help the most vulnerable households cope with rising bills and inefficient properties, and from the green deal to the reform of the electricity market we are making the right long-term decisions to ensure warm homes and affordable, secure energy for the future.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. Please keep in mind the need for brevity, as we have less than an hour before the wind-ups.

5.44 pm

Albert Owen (Ynys Môn) (Lab): It is always a pleasure to follow the Secretary of State. I, too, welcome the debate, and I congratulate my right hon. Friend the Member for Don Valley (Caroline Flint) on calling it and on keeping up the pressure on the energy companies, which is very important. As she said, the Government agreed to a motion in October calling for investigation of mis-selling, the simplification of tariffs and improved transparency, and for energy companies to use their profits to help with bills. We have not seen a lot of action yet on the points in that motion, but I acknowledge that there has been some progress, which can be laid at the door of the regulator, which has been more proactive, and of the consumer groups. I pay tribute to Consumer Focus, Citizens Advice and Which?, which have highlighted many of the issues involved. The House and politicians from all parties can also take credit, because we have embarrassed many of the energy companies into taking action. I welcome today's 5% price reduction, but I agree with other Members that it does not in any way make up for the previous double-digit rises.

Although we have had a mild winter—*[Interruption.]* I know that there are exceptions, such as the wind in Scotland, but compared with last year we have had a mild winter. However, that does not disguise the fact that there will be huge rises in the bills that people receive in January.

I wish to concentrate my remarks on those who are not on the gas grid. I make no apologies for doing so again and again. They are not a fringe group but some 2 million households in Britain alone, which does not include Northern Ireland, where 80% are off-grid. Those families do not get the same protection as those who are on-grid when it comes to simple matters such as help with prices. I make a direct plea to the Government to help those people. I cannot overstate that case. They ruled out social tariffs for those off the grid, I believe in June 2010, and I ask them to reconsider that.

The Energy and Climate Change Committee is undertaking a mini-inquiry into fuel poverty and off-grid gas, and we heard evidence today from the Office of Fair Trading. Unlike the Secretary of State, I was not surprised that the OFT came to the conclusions that it did, because it has a very narrow remit. The people who undertook the inquiry did not look at the matter in enough detail to conclude what we all know—that people off the grid have been ripped off in many ways.

It is not enough to refer the matter to the Competition Commission. The problem of higher prices is real, but anecdotal evidence that we have received from consumer action groups such as the one from the constituency of the hon. Member for Hexham (Guy Opperman) that gave evidence today, and from the constituents who write to us, suggests that people off the grid are being treated unfairly. There might be four companies in an area providing fuel, but they are all selling at very high prices.

Fuel poverty in off-grid areas is going up. I have some figures from Consumer Focus that I will share with the House. Some 28% of fuel-poor customers in England,

[Albert Owen]

34% in Scotland and 37% in Wales are not connected to the grid. To be fair to the Minister of State, the hon. Member for Wealden (Charles Hendry), he has met Members representing off-grid customers since the last debate. I urge him to give Ofgem the responsibility to treat customers who are off the grid equally. As I said, there are 2 million such households, and they deserve the same treatment and the same protection as those who are on the grid.

I urge the Secretary of State to consider radically extending the gas mains. The renewable heat incentive may be a good thing, but it is a long way in the future. We could create jobs in construction and help to alleviate fuel poverty if we extended the gas mains to off-grid areas. They include not just isolated areas but those very close to the original gas mains that supply towns and cities. Such an extension could be done relatively quickly and would be real action, which is what our constituents demand.

5.49 pm

Alec Shelbrooke (Elmet and Rothwell) (Con): The motion's opening line states:

"That this House believes that soaring energy bills are driving up inflation".

No one can argue with that. There has been a massive increase in energy bills, and before we continue with the debate, we should assess the reasons for that. All the independent financial analysts recognise that there has been a double-digit inflationary rise in energy bills, and that has spread to the economy. We live in a dangerous world, where there is much instability. The European Union recently approved sanctions on oil exports from Iran. All that has a knock-on effect on energy prices in this country. It is important, when setting the scene for the debate, to understand why energy prices have increased and that the Government can do something, but not everything.

In the summer I was in the United States when Michele Bachmann amusingly commented that she would reduce the price of fuel back to $2 a gallon. Perhaps that is why she has polled only 5% in the primaries—one simply cannot say, "We'll reduce it back": that flies in the face of dealing with the world crisis. There has been discussion for many years—certainly when I was at school, but it is now coming to the fore—about whether we have reached peak oil. Whether we have or not does not matter because the markets believe that we have reached that position.

There has been a 30% increase in energy demand in the recent past. As the Secretary of State pointed out, there are forecasts, but the further into the future they go, the more unreliable they are.

Mr Mark Spencer (Sherwood) (Con): Yesterday, the Leader of the Opposition said that the previous Administration had not made enough progress, and he was Energy Secretary at the time. Is my hon. Friend as relieved as I am that we now have a ministerial team that is taking action to deliver real change, not only on lowering prices but on securing our energy future?

Alec Shelbrooke: I am most grateful for that intervention. Half the problem with such motions is that they ignore the facts that I outlined in my opening remarks and simply state that everything is the fault of the existing Government. Many people feel that the Labour party likes to be in perpetual opposition—my constituents certainly feel that, and I see nothing to disprove the theory. The right hon. Member for Don Valley (Caroline Flint) was very clear about the reforms that she wants to make, so why was she not clear when she was in government only two years ago? Perhaps the comment about window dressing goes a lot further than we thought.

Of course, we are trying to move forward in our proposals for energy consumption in this country, and the Secretary of State is right to say that we have bitten the bullet on how to generate energy. Let us be honest: we are in a coalition and we know that the Liberal Democrats had views on nuclear power. They held a perfectly acceptable view in their manifesto, and I greatly respect the work that the hon. Member for Wells (Tessa Munt) has done throughout her life as a member of CND—they were her beliefs, but we had to move forward.

Tessa Munt: They still are my beliefs.

Alec Shelbrooke: Quite right—the hon. Lady corrects me from a sedentary position. However, we had to bite the bullet and make decisions to secure this country's energy future. All those things have a knock-on effect. The Labour Government's dithering, delay and unwillingness to make those decisions because of the fright their Back Benchers gave them have been shown up massively by the two parties that came together to run the country after the mess left by the last lot, with one coalition partner making a decision that it did not want to take, but realising that it was right for the country. That is what is important: what is right for the country.

The right hon. Member for Don Valley said much about the Government cutting the winter fuel allowance for 2 million pensioners; there was a lot of "We told you so." Later in her speech, however, the right hon. Lady said that the proposed legislation was initiated by the Labour Government and we have picked up on it. She cannot have it both ways. Labour was quite clear in its manifesto and previous decisions that it would do exactly the same thing on the winter fuel allowance. In these austere times, it is the Government who are resisting the populist pressure, coming perhaps from some of the more right-wing media, to means-test the winter fuel allowance, and we are ensuring that it is all there. The tax bribes that Labour was giving out at the last election were seen through, which is why it suffered the worst defeat since 1918.

I have already outlined the need for a coherent policy on energy futures, which will help to bring prices down. The situation with the feed-in tariffs is difficult, but we need to ensure that progress is made. We have done many other things to help people with their pensions, including introducing the triple lock, and ensuring that pensioners this year will receive the highest cash settlement that they have received in the last 100 years—it is huge.

There is every chance that the Opposition motion would lead to more borrowing, less tax, and disaster. When people cannot pay their bills, it is because of the economic incompetence of the Labour party.

5.56 pm

John Robertson (Glasgow North West) (Lab): I shall try to talk to the subject that we are here to discuss, unlike the hon. Member for Elmet and Rothwell (Alec Shelbrooke).

Last year, the average household saw energy costs rise by about £300 and Ofgem announced last October that the profit for energy companies had risen to £125 per customer per year, from £15 in June. My contention is not that the cost of energy is rising, but that the big six do not have a great track record of passing on wholesale decreases as quickly as increases.

Today's wholesale energy prices are lower than they were a few years ago—and lower than they were only a few months ago. According to Bloomberg, the wholesale price for gas in autumn 2008 hit over 70p a therm. If we compare that with 59p per therm last October, we see that wholesale gas prices have actually dropped 15% since then. Similarly, prices in the wholesale electricity market reached £120 per megawatt-hour in autumn 2008. Today, they are just over £50 per megawatt-hour—less than half the price back then. But gas prices have dropped by only 15% and electricity prices by only 11% since last May's peak. According to Bloomberg, in December natural gas futures declined by 30% compared with 2011. Today, energy companies can buy their gas for 53p per therm, some 9% cheaper than even last October.

The reason for this is sadly apparent. European demand is going down as the continent is moving towards a downturn and productivity is declining. This may be why EDF announced today a 5% cut, but—as my right hon. Friend the Member for Don Valley (Caroline Flint) pointed out—the company raised its gas prices last year by 15.4% while future gas derivative prices were falling, and while current market prices are down on previous years.

As a result, there is great suspicion among many, including Ofgem, that the big six have not been passing on wholesale market price reductions, not only last year but this year. These are clear acts of anti-competiveness in themselves, especially towards smaller energy companies, let alone customers and small businesses. For example, section 2 of the Competition Act 1998 prohibits the abuse of a dominant position in a market by one or more undertakings which may affect trade within the UK. I will quote competition law guidelines again as it seems that the Secretary of State did not hear me the last time I did so. They state:

> "Conduct may be abusive when, through the effects of conduct on the competitive process, it adversely affects consumers directly (for example, through the prices charged) or indirectly (for example, conduct which reduces the intensity of existing competition or potential competition). A dominant undertaking is under a special responsibility not to allow its conduct to impair undistorted competition."

I strongly suspect that one reason behind the price rises is probably that the companies have grossly failed to stockpile their energy reserves to hedge adequately against future prices. That could explain why, when future prices have fallen by almost a third, the companies are not passing on the reduction. There may be numerous reasons for that—one reason is probably ineptitude—but I feel that the main answer lies more in the lack of any incentive to pass on substantial price falls.

David Mowat: Will the hon. Gentleman give way?

John Robertson: I will not give way. There are a lot of people wanting to speak.

My constituents are grossly disadvantaged. The Secretary of State talked about going on the internet, but the low internet uptake in Glasgow—we have one of the lowest uptakes—will not allow that to happen for my constituents. However, I was pleased to hear that he has taken on board the point about severe housing, which is what we have. Efficiency savings cannot be made in concrete housing blocks. In fact, all my constituents seem to do is pay to heat up the concrete blocks in the winter and cool them down in the summer. I therefore look forward to hearing more from the Minister. I hope he will look at the prices, go back to the companies, give Ofgem the teeth that it needs and ensure that the fines that should be imposed on the companies in question are indeed imposed.

6.1 pm

Simon Wright (Norwich South) (LD): In October we saw the launch of the "Check, switch, insulate to save" campaign. There is a clear need to raise awareness of what people can do today to reduce their bills. Many people can go online, check around for better deals and switch suppliers or change to a cheaper tariff, but three in every five consumers say that, in fact, they have never switched supplier. There are perhaps a number of reasons why not, one of which is that there remains a digital divide, which means that the information is not as easily or quickly available to all. What is more, many of the best deals are for online-only web accounts. Many households could save around £100 immediately by simply moving to an online account, but this is little help to those who have not embraced the internet, which in many cases also includes poorer households. Those who are not online include more than half the UK's over-65 population.

Other households tend to avoid doing too much of their business online, because they have poor quality internet access where they live. I strongly welcome the Government's investment in better broadband for Norfolk. Better communication links will allow more people to search online for the cheapest services and, as a result, become more powerful consumers. However, even with 100% broadband coverage, many households will still not connect to the internet. It is therefore vital that every effort be made to ensure that support is available for offline consumers to ensure that everyone can access the cheapest tariffs, not just the internet-savvy. I welcome the work that citizens advice bureaux and Ofgem are doing to help.

Bob Stewart: Is that not the very point that we were making earlier? Citizens advice bureaux and the Department, in sending out these letters, should advise vulnerable people exactly what they think is best for them. That should make it as simple as possible for very vulnerable people, and that is our duty.

Simon Wright: That is a very good point, and I thank the hon. Gentleman for making it, but given the sometimes huge price differential between online and offline accounts, I hope that Ministers can work with Ofgem and the suppliers to seek to narrow the gap.

[Simon Wright]

In recent years, competition for new customers seems to have been increasingly focused on price comparison websites. That has meant that those who use such tools can find massive discounts for web-only accounts, while the majority, who do not, end up paying more. To improve competition, we need simpler tariffs. Over 70% of consumers tested in Ofgem's market research said that they would be more likely to switch if tariffs were made clearer. With a bewildering 400 or so tariffs available, only 44% of people in Ofgem's research were able to select the cheapest tariff, even under a simplified form of the current arrangements.

We also need tariffs to be structured in a way that encourages energy conservation. A system of rising block tariffs—which was mentioned earlier—where customers pay less for the initial blocks of consumption and a rising amount for subsequent blocks, would provide an additional financial motivation for households to consider energy conservation. Low energy users would be rewarded for their efforts. At present, intensive energy users pay proportionately less.

I recognise that there are concerns about the unintended impacts that such a system could have on households that necessarily consume high amounts of energy, such as those of people with long-term health conditions who need to keep their house at a higher temperature. Perhaps we could consider other forms of social tariffs for such households, and examine whether extra support could be made available for housing insulation improvements, possibly through the green deal and through energy company observation. I know that Professor Hills's fuel poverty review will consider tariff structures in its final report, and I hope that energy conservation will be seen as an important part of that work.

I also want to mention smart meters, which could play a massively important role for consumers. Every household should have one by the end of this decade. As well as encouraging more efficient energy use and allowing for more precise billing, these meters will provide consumers with billing information on what they are paying for, at the touch of a button. There is great potential for people to use that information to ensure that they are getting a good deal. For households to get the maximum benefit, consideration must be given to how best to inform, engage, and motivate consumers to use their meters to the best effect. The consumer engagement strategy, which I hope to see being developed and implemented during this year, will have a vital role to play in that regard.

Simplifying and reforming tariffs and improving transparency are all necessary short-term steps required to increase competition. There are a few encouraging signs of competition in what is, overall, a difficult market for consumers. Today's announcement by EDF of a reduction in its customers' gas bills in response to the falling cost of imported gas, following similar moves by smaller suppliers such as Ovo and the Co-op, will be welcomed by many of my constituents. Last year, however, rising costs were passed on to customers very quickly, and I now want to see—on behalf of all my constituents—action being taken by the other big five energy suppliers to reduce their prices. Whether or not they do so will be an indicator of how competitive the market is for consumers. If suppliers do not reduce prices, how many of their customers will go elsewhere? Promoting competition now is vital, and I welcome the emphasis that Ministers, working with Ofgem, have given to this issue.

Today's debate is important. The issues are not simple, but the public rightly expect Ministers to intervene, and I welcome the progress that has been made in recent months. We are heading in the right direction, and I urge Ministers to continue.

6.7 pm

Mr Tom Clarke (Coatbridge, Chryston and Bellshill) (Lab): My objective today is, as it has been in similar debates under the previous Government and this one, to speak up for my constituents who are getting a very raw deal from the energy suppliers. Energy companies are renowned for using fluctuations in wholesale prices as an excuse for unacceptably high domestic energy bills. The issue affects every household in my constituency, particularly those of pensioners and families on low incomes with young children, and it causes financial misery to consumers.

I have written to Ofgem, and met representatives of the organisation. I have sought to remind it of its duty to consumers. Likewise, I have been in touch with the Office of Fair Trading, which has a duty to ensure that a cartel is not operating against the public interest. I remain to be convinced about that. The problem that we are discussing today will not simply go away, and my activity will continue until pressure is brought to bear on energy suppliers to reduce the inflated prices that are being unfairly charged to all households.

As I travel round my constituency, I find that the issue uppermost in the minds of my constituents is the rocketing price of gas and electricity. The price of both has gone up substantially, leaving those consumers helpless or in debt from dealing with the problem. Food inflation is up by 6.2%. Electricity prices have risen by 10%, and gas prices are up by as much as 17.4%.

I was hoping that during this debate we might be spared the fool's bargain solution of asking the public to switch providers. By heavens, we have heard that so often. This has not, is not and never will be the solution. I have a sense that the Government know, deep down, that what I am saying is perfectly true.

There is no need for extensive research into the domestic energy supply industry. The man and woman in the street are absolutely convinced that energy companies are simply leapfrogging one after another when it comes to increases. An unregulated energy market that allows consumer prices to soar while wholesale prices are decreasing is unjust, irresponsible and is hitting the poorest households hardest. The rip-off continues unabated, and I think we are right to challenge it today.

Let me issue this challenge to the Minister: can he name any other product or commodity that has risen in price so steeply not just during the last year, but during the last decade? This explains why energy prices have, frankly, become a national scandal. I am in constant touch with ordinary decent people in my constituency who are struggling against extraordinary energy price increases. Consumers need energy to keep themselves warm and to cook meals, and they need hot water. Wholesale price fluctuations have largely been blamed on the energy supply from the continent, but there is a healthy scepticism about this rationale. I am not against

companies making a profit. What I am against are the profits of energy companies rocketing while consumers are facing human misery.

Clearly, we need to ask whether competition is working as it should. Are companies becoming too comfortable in this small sector in which the price-setter, British Gas seems more keen to keep its prices up than to keep its customers? I am not especially concerned with the profits that those companies are making—obscene though I believe them to be. Nor am I concerned about whether they should face competition inquiries or fines, because fines will be of no use whatever to low-income families in my constituency. My concern is that those people should get a fairer deal—no less and no more than that.

The previous Government made huge strides to combat fuel poverty through the winter fuel payment and other measures such as pension credit. The tragedy is that those efforts are being completely undermined and devalued by the scandalous energy prices that consumers are being—

Mr Deputy Speaker (Mr Nigel Evans): Order.

6.12 pm

Ben Gummer (Ipswich) (Con): It is always a great pleasure and honour to follow the right hon. Member for Coatbridge, Chryston and Bellshill (Mr Clarke), whose defence of his constituents is always reasonable and valiant. I think he is right to this extent—that appealing to people to switch supplier will not be the entire cure for problems in the energy market. The reason for that is that the energy market is broken, so competition will not work entirely. It can work to a certain extent, but not entirely, if the market cannot deliver what the consumer wants.

To understand how to fix the market, we have to look at the history of the market and why it went wrong. If we look at energy prices, we find that they have moved since the privatisation of the late '80s. They fell consistently beneath the retail prices index every year from the late '80s and the early 2000s. They did so over a longer period than at any time since records of energy prices began. Then, from the mid-2000s they levelled out, and from 2005 to 2007 they increased further than RPI until 2010 when the last Government left office.

I am fully aware that this is often not a moment to talk about the previous Government's record, but they had a fundamental hand to play in the reasons why we are in the position we are in now. It is also incumbent on us to point out that much of the responsibility lies with the man whose name stands at the head of the motion who seeks to lead the British public as Prime Minister after the next election. He is responsible for the complete lack of action taken to do anything about the broken energy market, which has caused the problems from which our constituents, including those of the right hon. Member for Coatbridge, Chryston and Bellshill, suffer today.

In a debate earlier in the Session, the right hon. Member for Don Valley (Caroline Flint)—who is now shouting from a sedentary position—said that reform of the electricity market was

"what my right hon. Friend the Member for Doncaster North (Edward Miliband) has been calling for ever since he was Energy Secretary, including now, as leader of the Labour party."—[*Official Report*, 19 October 2011; Vol. 533, c. 931.]

A Secretary of State does not call for a reform of the energy market, or of the electricity market. The right hon. Gentleman's purpose should have been to do something about the situation, but far from doing something about it—or even calling for something to be done about it—he issued the following warning to the then Opposition Front-Bench team during a 2009 debate on the Energy Bill:

"I have to say that the alarmism... is of no help at all."—[*Official Report*, 7 December 2009; Vol. 502, c. 43.]

It was not alarmism, however. We understood that the market was broken, and we understood that fundamental changes were needed. That is why we are introducing the changes that need to be made now that we are in power.

My first problem with the proposals in the motion is that they do not have the agreement of even small energy providers, who say that the right hon. Lady's pooling mechanism would not work.

Caroline Flint: How do you know?

Ben Gummer: I can tell the right hon. Lady, in answer to her sedentary question, that even the small providers have put that on record.

Secondly, the right hon. Lady alluded to a series of reforms that she believes would combat fuel poverty. That suggested that the last Government's attempts had somehow been successful, or would be successful were they to be continued. In that earlier debate, the right hon. Lady also said:

"we had the most ambitious programme to help people in fuel poverty deal with their bills". —[*Official Report*, 19 October 2011; Vol. 533, c. 932.]

Let me remind her of that policy. Between 2000 and 2008 the last Government spent £20 billion on abatement of fuel costs, and what happened to fuel poverty during that period? It increased by 333%. That was indeed ambitious. It was ambitious to the extent that for every household the Labour party put into fuel poverty, the taxpayer paid £5,700. The taxpayer paid £5,700 to reduce a household to fuel poverty, yet Labour Members have had the cynicism to come to the House and claim that their policies would work again, and that the brave and principled position of Her Majesty's Government is somehow misguided. It is a hypocrisy which lays bare a party that has no ideas of its own, and is reduced to attacking its own record.

6.17 pm

Pat Glass (North West Durham) (Lab): I have spoken in every energy debate in the House since my election. That is because my constituency is largely rural and is in the north-east, and because 25% of my constituents are living in fuel poverty. Many of them are on low incomes, there is high unemployment in the constituency—it has doubled in the last 12 months—and we have an ageing population. Any suggestion of an increase in fuel costs always causes real fear and anxiety in constituencies such as mine.

I listened carefully to what the Secretary of State had to say. While apparently guiding us carefully through the complexities of the energy industry, he seemed to me to be doing so from the point of view of the chief executive of an energy company, and I found that

[Pat Glass]

incredibly disappointing. I thought it was complacent in the extreme, and I believe that my constituents would be rightly angered by it. The Secretary of State spoke of dithering and delay in the last Government, but in the two years in which I have been in the House, I have witnessed a master class in dithering and delay. We need to get on with doing something about the present situation.

In my brief speech, I want to raise two issues. As a past student of economics, I want to discuss the artificial economy created by successive Governments in the energy industry, and I also want to return to the issue of off-grid and heating oil prices.

Successive Governments have created and modified the artificial market in the industry, but that artificial market has failed to establish safeguards that would prevent companies from manipulating the market in order to achieve massive profits at the expense of the consumer and at virtually no risk to themselves. It has failed to prevent an oligopoly in which these companies can operate with impunity. We now have few suppliers in the market and entry into the market is almost impossible, and the actions of those few suppliers have a disproportionate and negative impact on consumer prices.

Most of our strategic energy companies are also now foreign-owned. I sat through the previous debate on transport, and I heard the shadow Secretary of State tell us how the rail industry is being gradually renationalised and returned to Government ownership, but, unfortunately, not British-Government ownership; foreign companies and Governments now own our rail industry, and the same is happening in our energy industry.

On off-grid and off-gas, I was stunned by the Secretary of State's remark that the Office of Fair Trading report gave a clean bill of health to the industry. It is clear to me that he has not read that report. I accept that the report said there was no monopoly in heating oil, but I think that is because its remit was far too narrow so the investigation was too limited.

Guy Opperman: I am the hon. Lady's constituency neighbour and we share a great deal of common ground on the issue of off-grid problems. So far as my constituents are concerned, there is no genuine competition and fairness of pricing in respect of off-grid, so from their point of view the report by the OFT, which was only a market study, is manifestly insufficient and not right. Do her constituents convey the same concerns?

Pat Glass: Yes, exactly the same issues are raised in my constituency surgeries. The OFT accepted that in some parts of the country there are fewer than three suppliers, but in practice even though there may be three advertised suppliers, sometimes only one company is prepared to deliver. That is certainly the case in parts of my constituency, and I am sure that is also the case elsewhere. That may not be a monopoly in the view of the OFT, but for my constituents it is definitely a monopoly. Some of my constituents were faced with increases of almost 100% in heating oil prices in the run-up to Christmas last year, and only one company was prepared to deliver. I call that a monopoly. I urge the Government, and my party's Front-Bench team, to look again at the regulation of this sector.

I am pleased that the Prime Minister seems recently to have woken up to the public's anger about irresponsible capitalism. We have a culture in which obscene profits are made and consumers are suffering as a result. However, I do not believe that the Prime Minister is serious about this; rather, I think it is just focus-group rhetoric. If he is really serious about doing something about irresponsible capitalism, the energy industry in this country is a good place to start.

6.23 pm

Sarah Newton (Truro and Falmouth) (Con): I simply do not accept the criticism we have heard this afternoon from the Opposition that the Government are sitting on their hands and letting people die in their homes this winter. In the few minutes available to me, I shall demonstrate that, as Opposition Members have said, actions do, indeed, speak louder than words, and I shall describe a fraction of the things that are being done in my constituency to tackle fuel poverty now, as we speak.

Cornwall council and the council of the Isles of Scilly have led a successful bid to the Department of Health for more than £140,000 for a campaign called "Warm homes, healthy people". It is estimated that each year about 300 people in Cornwall die as a result of living in cold homes, which is, of course, 300 too many. Partners in this campaign include the NHS in Cornwall and the Isles of Scilly, Age UK, Community Energy Plus, the citizens advice bureaux, Cornwall Voluntary Sector Forum, Truro Homeless Action Group, the home improvements agencies, St Petroc's, the Cornwall drug and alcohol team, New Connection and the councils' own housing and adult social care teams. All of them are combining their efforts to tackle this problem. They will identify those most at risk of fuel poverty. They are going to make sure that people access all the advice and support that is already available for them. As the right hon. Member for Don Valley (Caroline Flint) said, millions of pounds go unclaimed in benefits and compensation from energy companies. This practical programme will make sure that the people who need support actually access it.

Mr Watts: Will the hon. Lady give way?

Sarah Newton: I will not, because I want to allow more colleagues to join in.

The programme is going to give people really good advice on how to protect themselves from the risks of high humidity and on insulating their homes, and it will make sure that they are taking up the available grants. It is also going to make sure that people really take advantage of the many existing free programmes.

This programme has had widespread support from people in Cornwall. The council cabinet member responsible for health and well-being has said:

> "This is a great example of community and voluntary organisations coming together with the public sector to offer a joined up approach to a big issue. The funding is very welcome indeed as it will help all the agencies involved target support to those in most need and at most risk. By working together, frontline workers and volunteers will have systems in place to make sure that vulnerable people are directed to the service most able to help them."

Our director of public health for Cornwall and the Isles of Scilly has also warmly welcomed this investment, saying that it will be used alongside money that Cornwall

council and the NHS already spend in subsidising the Warm Front scheme to ensure that all the costs of insulating people's homes are met.

In addition, the council cabinet member responsible for housing has said that this funding is "great news" and is going to back up the money already being received from the Government to tackle homelessness. People who are homeless or living in very poor quality accommodation—in the mobile homes and park homes that we have heard about; in poor quality, poorly insulated private rented sector accommodation—will be able to top up the money the Government are already giving to people at risk of homelessness, which will actually make a difference this winter.

In addition, I have been working with all these different voluntary sector organisations, and, together with Church groups and poverty forums, we have come up with a practical guide that will be widely distributed to people. Anyone and everyone who is worried about heating their homes this winter will have the full range of advice about all the benefits and services available to them.

I challenge my colleagues on the Opposition Benches. Yes, actions do speak louder than words, and rather than spending hours in these sterile and futile debates, why do they not roll up their sleeves, go back to their constituencies and work with those who really want to make a difference to people this winter?

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. I want to allow some people who have been here throughout the debate to get at least something on the record. I do not like dropping the time limit to three minutes, but I am afraid I have to. I call Mike Weir.

6.28 pm

Mr Mike Weir (Angus) (SNP): In the brief time available I just want to make a few comments. Rising energy prices are obviously causing huge problems for many families. Every 5% rise puts a further 46,000 households into fuel poverty. It is not a completely grim picture. For once, there is some good news in Scotland. The Scottish house condition survey, which measures fuel poverty, published in November, shows a reduction in the number of homes in fuel poverty in 2010, although, like the rest of the UK, the figure remains far too high. The current average dual fuel bill is now £1,345 a year, an increase of almost 50% over the past four years. Today, EDF trumpeted the decision to reduce gas prices by 5%, but that comes on top of an increase only a couple a months ago of 15.4%.

There are other related issues. I raised with the Secretary of State in an intervention the issue of prepayment meters. There is great concern about the huge increase in the number of people moving over to prepayment meters—presumably, people who are unable to meet their energy bills—and there is a real danger of self-disconnection when that happens. We do not always know when some of these people are doing this. That is a real worry and we need to do something about it.

The mantra of switching simply does not work. The energy companies appear to be doing a "follow my lead" on rising prices; I very much doubt whether that will necessarily occur when prices start to go down.

I note that Labour's motion suggests that we should "require energy companies to provide the lowest tariff to over 75s". That, in itself, is a good idea, but the problem is that it will work only if the tariffs are lower; there is no point putting people on the lowest tariff if all the tariffs are high, which tends to be the position at the moment. At the Scottish Government's energy summit last November, Scotland's six largest energy providers pledged to help vulnerable customers transfer to their most efficient tariff, so there has been some movement on this issue and it should be encouraged. However, the previous system of higher winter fuel allowances for elderly people is a much better option, because it reduces the amount they have to pay out, irrespective of what bill they are on, and I am slightly disappointed that Labour seems to be moving away from that approach.

I wish to make the point about off-grid customers, of whom my constituency has many and about which other hon. Members have spoken. I have previously raised this prospect, but the Government should consider, at the very least, making the winter fuel payment earlier to vulnerable people who are off-grid, as that would allow them to fill up their tanks in the summer or early autumn, when the price tends to be lower, although it is not always. That is a no-cost and positive option, so I urge the Minister at least to consider it again.

6.30 pm

David Mowat (Warrington South) (Con): I have been sitting here for a few moments trying to work out whether to talk quickly in the next few minutes or to curtail my remarks. I wish briefly to say something about the structure of the UK gas and electricity industries.

First, I shall discuss the gas industry. I heard the comments made by hon. Members from both sides of the House, but particularly by Labour Members, about the predatory nature of the industry, cartels, price fixing and so on. I return to my earlier intervention by saying that this country has the lowest gas prices in Europe, leaving aside three small countries. I am not defending these organisations and if the prices could be lower, they should be lower. However, if that situation is the result of predatory pricing and the operation of a cartel, the companies are not very good at it.

Ben Gummer: Is my hon. Friend aware that the probe initiated by the previous Secretary of State found that the energy companies were not acting as a cartel and that there was indeed price transparency between them?

David Mowat: I was aware of that, and I shall finish on this point by saying that if Labour Members have evidence of directors operating a cartel, which is a criminal offence, they should come forward with it. Alternatively, they should just stop making the accusation, which is becoming increasingly silly.

I was somewhat disappointed by the Secretary of State's answer to the question about shale gas, because it has the potential to be a game-changer. In the United States gas prices have reduced by a factor of three and, in 2015, the US is going to start exporting shale gas, and if we do not have it here, that could well have a major impact on the structure of the industry and how it will work in the future. For the first time, we are seeing the

[David Mowat]

decoupling of gas and oil prices, and once that has happened, all bets are off. The price of gas in Europe—in the European balancing hub—is three times what it is in the US. If a fraction of what happened in the US happens here, the results could be very radical and could create some issues to address in terms of the debt strategy.

Whereas we have nearly the lowest gas prices in Europe, the same cannot be said for electricity prices. We have structural issues to address in our electricity market. We do not have cheap nuclear power, as France does. We have missed the opportunity on that, although we are doing our best to catch up.

In the minute remaining, I want to suggest to the Minister one area that I believe we have got wrong in policy terms. The Climate Change Act 2008 sets a very ambitious target of 80% decarbonisation, and I accept that, but I believe we have confused the need to decarbonise with the need to go for renewables. The 20-20-20 directive from 2009, which imposes a renewables target over and above what we could have done to reduce carbon, has confused the issue. As a result, we have gone into nuclear more slowly than we should have done and, frankly, we have gone more slowly into carbon capture and storage, which is an alternative. Will the Minister assure us that the Green investment bank will be concerned with decarbonisation, not just renewables, and that the money available from it will therefore be available to the nuclear industry, which is in as much need of it as other parts of the decarbonisation chain, and the CCS industry?

6.35 pm

Barry Gardiner (Brent North) (Lab): Since 2004, gas and electricity bills have increased more than six times faster than household incomes, meaning that a quarter of all households in England and Wales are now in fuel poverty. Increasing energy bills and stagnating incomes also mean that an additional 25% of people now face energy debts and more than 850,000 electricity consumers and more than 700,000 gas customers are now in debt to their energy supplier.

I would dearly love to give the hon. Member for Ipswich (Ben Gummer) a lesson in the history he so eloquently went into earlier, but I shall defer that to another occasion. I would point out, however, that although he accused the previous Government of not having tackled structural reform in the energy market, they did so on two occasions with the new electricity trading arrangements, or NETA, and the British electricity trading and transmission arrangements, or BETTA. We will save the rest of that debate for another day.

The point that I most wish to make is that the costs of environmental and social measures, such as CERT and the renewables obligation, now account for about 4% and 10% of gas and electricity bills respectively. This is an unpopular thing to say—and certainly unfashionable, coming from me—but it is the truth and we have to face up to it: developing a low-carbon energy infrastructure will require long-term planning and significant investment. Whereas 84% of recent energy price rises were unrelated to low-carbon measures, the remaining 16% were and the Committee on Climate Change estimates that policies to achieve a low-carbon economy will add about £110 to bills over the next decade. That is because it expects electricity consumption to drop by 50%, meaning that per unit costs of electricity will skyrocket. The most important thing we can do, therefore, is achieve energy efficiency.

On that point, I want to challenge the Secretary of State on ECO. He will know that the Fuel Poverty Advisory Group and National Energy Action have said that ECO spends only 25% of its funds on the fuel poor and 75% of its funds on trying to reduce carbon emissions, which could be better directed at targeting solid-wall insulation for the fuel poor in the private rented sector. I ask him please to consider that, as it can achieve his energy emissions objectives and increase the benefits to the fuel poor.

6.38 pm

Andrew Percy (Brigg and Goole) (Con): As many other Members have said, this is an issue of huge concern to constituents across the country, and my constituents have some particular concerns that make the impact of rising energy prices much greater. We have a lot of properties that are off-grid, which is a huge issue particularly in the marshland villages, and I also represent in the Scunthorpe part of my constituency a large number of park homes, which other Members have mentioned. A lot of people in my constituency live in single-skin properties, many privately rented, where landlords, despite their legal right, require them to be on energy meters. That was an experience I had for about three and a half years before I was able to buy my house. I lived in a rented property with one of those meters and I know the added costs. Like other Members, I am getting increasing amounts of casework about this matter. I hope the Secretary of State will act on the concerns about private rented landlords, park homes and single-skin properties.

There is not a great deal of time to go into casework issues, but another issue I want to discuss is switching. I was saddened by the comments of the right hon. Member for Don Valley (Caroline Flint) and I remind her that, under her Government, in the region we represent, Yorkshire and the Humber, fuel poverty went from 7.7% of households in 2004 to 19.9% in 2009, so this issue has not appeared overnight. It is wrong to pooh-pooh the idea of switching. One thing that I have done—my hon. Friend the Member for Truro and Falmouth (Sarah Newton) said that she had done something similar in her constituency—is to produce a book and guide for my constituents to assist them as best I can by informing them about how they can switch and how they can make use of the social tariffs and their replacements. There are practical things that we can do, but I do not deny that it is sometimes incredibly confusing. I had a lady in her 80s at my constituency surgery the other week. She explained that she was unable to switch because she did not have access to the internet and her children lived a long way away. We need to do more for such individuals.

I want briefly to address a point made by the right hon. Member for Don Valley. I intervened on her about it but it is worth saying again. If a point is worth making once it is worth making twice. Never mind the nonsense about the winter fuel allowance and the fact that Labour would probably have raised it—even though she committed today to not raising it, which tells us all

we need to know—the one thing that would have helped pensioners in my constituency previously, instead of giving them that disgusting 75p rise, would have been Labour making good on its 1997 election pledge to link pensions to earnings. I am proud that we have done that, and it should put £5 or more into the pockets of pensioners.

6.41 pm

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): I am pleased to respond to this very important debate. At the start of the debate, my right hon. Friend the Member for Don Valley (Caroline Flint) reminded the House of the last time we debated rising energy prices—in October, just three months ago. In that debate, the Government supported our motion calling on them to investigate mis-selling, simplify tariffs, improve the transparency of trading data, reform the energy market to increase competition and drive down bills, and to demand that energy companies use their profits to help with bills this winter.

Since then, the Government have failed to deliver on every one of those promises. No action has been taken to address the chronic lack of trust between energy companies and their customers. There has been no action to increase transparency and competition and no action to help with the soaring cost of bills. Today, we have heard in speeches of Members from across the House about the consequences of the Government's failure. They have told us about constituents who have been let down and who are struggling to keep warm this winter. Families and pensioners are facing a cost-of-living crisis. They are being squeezed by huge increases in prices at a time when their incomes are decreasing in real terms. In the latest round of price increases, electricity has gone up by 10% and gas has gone up by more than 17%, and that has come on top of high fuel prices and food inflation at 6.2% as well as the Government's VAT rise, which is costing the typical pensioner around £275 a year.

Several hon. Members have talked about unfairness. My hon. Friends the Members for Ynys Môn (Albert Owen) and for North West Durham (Pat Glass) raised the issue of the 2 million customers who are off-grid, which is a specific issue in their constituencies. Those households suffer specifically from the monopolistic situations in their area and do not have choices about electricity and gas when such services are not available to them.

The hon. Member for Norwich South (Simon Wright) rightly talked about people who do not have access to the internet as a means of identifying the cheapest deals. A number of Members talked about the scandal of prepayment meters and the high costs incurred for those customers.

My hon. Friend the Member for Brent North (Barry Gardiner), my right hon. Friend the Member for Coatbridge, Chryston and Bellshill (Mr Clarke) and my hon. Friend the Member for Glasgow North West (John Robertson) all highlighted that at a time when their constituents are being squeezed by record rises in their bills, energy companies are seeing record rises in their profits. It cannot be right that while the cost of a typical dual fuel bill now stands at more than £1,300, thereby making energy bills one of the biggest costs that households face, the profits of the big six, which supply 99% of our households, have risen to more than £100 per customer.

The Government are exacerbating the situation by making the wrong choices for Britain's bill payers. They are wrong to withdraw support from the most vulnerable consumers when they need it most. They are cutting winter fuel payments by £50 for the over-60s and by £100 for the over-80s despite having promised before the general election not to do so. They are also running down the successful Warm Front scheme before they scrap it completely next year. That scheme was introduced by Labour and has helped more than 2 million households to save money by improving their homes' heating systems and energy efficiency.

Ministers are quick to lecture consumers about the importance of energy efficiency, yet at a time of soaring energy costs they are cutting help for those who are trying to install those vital measures, be it insulation or more affordable and energy-efficient heating systems. In 2009-10, during the last year of the Labour Government, over 200,000 homes received new heating and insulation under the Warm Front scheme. By November last year, fewer than 15,000 households received such help—a staggering reduction of 85%. The hon. Member for Truro and Falmouth (Sarah Newton) must be receiving the majority of the Warm Front support in her constituency.

It shows just how out of touch this Government are that, when they should be supporting those who are trying to do the right thing, they are instead making it more difficult. They are wrong, too, because as well as scrapping existing successful schemes, they have introduced new programmes which are not delivering. I am pleased to see the hon. Member for Elmet and Rothwell (Alec Shelbrooke) back in his place. He did not know the difference between the warm home discount and winter fuel allowance. It is a shame that he was not able to stay for the debate, because he might have learned about it.

The new warm home discount is failing to help those in fuel poverty. We warned the Government that the scheme was too narrowly focused and would not deliver the support needed. It seems that those warnings went unheeded. Research by Save the Children, which came out last week, highlighted the huge shortfall in funding provided by energy companies for the schemes, which means that only 25,000 of the 800,000 households eligible for the warm home discount will get help this winter. That is just 3% and it is not good enough.

When pensioners and low-income families are struggling to make ends meet, it is time the Government got tough with the energy companies. We would provide real help now by making the energy companies ensure that all vulnerable pensioners and low-income families with children at risk of fuel poverty who receive cold-weather payments automatically receive the warm home discount. When in government we took action to help consumers, thanks to measures such as Warm Front and the winter fuel allowance, which the Government are now cutting. The number of households in fuel poverty fell by 1 million. Of course we would have liked to have reduced that even further, but now fuel poverty is rising and things are getting worse, not better, as a direct result of the decisions being made by this Government.

At the same time as cutting support, the Government's plans for the new schemes, the green deal and the energy company obligation, will not deliver either. We have just

[Luciana Berger]

heard that at a meeting in the other place, the Energy Minister there said that the regulations for the green deal would be delayed. We wait to hear how long that delay will be.

The Minister of State, the hon. Member for Bexhill and Battle (Gregory Barker), told the House in 2010 that the green deal would be the game-changer for fuel poverty, but his figures revealed that only 350,000 to 550,000 households would be lifted out of fuel poverty by 2020. These are derisory ambitions. His plans mean that the Government will be gifting three times as much subsidy to households that can already afford to improve their homes, compared with those in fuel poverty who cannot even afford to keep theirs warm. To echo my hon. Friend the Member for Brent North, why, when money is tight, is the Minister not prioritising support for those who need help most?

We have seen a clear choice emerge in this afternoon's debate. On the one hand, there is an out of touch, out of date Government unable to stand up for hard-working consumers—out of touch because when energy bills are rising, millions are struggling to keep warm and fuel poverty is rising, their only answer is to cut support and tell consumers to shop around. Although it is refreshing to hear from the hon. Member for Ipswich (Ben Gummer) that he believes that the energy market is broken, the Government are out of date because they are wedded to an orthodoxy which for too long has allowed utility companies to do what they please at the expense of their customers. On the other hand, the Labour Opposition have plans to deliver fairness in tough times, to provide real support for struggling households this winter, even when Government have less to spend, and to take on the vested interests, reforming the energy market so that it benefits the many and not just the few.

We heard throughout the debate how the huge rises in gas and electricity prices mean that bills are one of the biggest costs that households face. The Government lecture consumers, telling them that it is possible to save up to £200 on an annual bill by shopping around. In some cases that might be true, but Ministers are out of touch if they think that it is easy for consumers. We have heard from many about the 400 different tariffs. It is those who need help most, Britain's pensioners, who are losing out from the Government's failure to force companies to introduce simpler tariffs. Research by Ofgem has shown that elderly customers are much less likely to investigate cheaper tariffs or switch suppliers, compared with the average consumer. It is crucial that at times like these, when money is tight and people right across the country are struggling to get by, the Government do everything they can to help them.

Yesterday my right hon. Friend the Leader of the Opposition showed that Labour will deliver fairness for elderly people struggling with soaring fuel bills as well as taking action to cut the deficit. The plan he set out in today's motion would cut gas and electricity bills for up to 4 million elderly pensioners, not by spending more money, but by getting energy firms to show greater responsibility towards their most vulnerable customers. We want energy companies to move their customers who are over 75 automatically to the cheapest tariff they offer for gas and electricity.

As well as taking action to protect the most vulnerable in our society, we must ensure that everyone benefits from fairness and responsibility in our energy market, so we would go further by introducing real reform to increase competition and drive down prices. For too long the market has been dominated by a handful of companies. Today's debate has shown once again that the market is broken and that we need to fix it. I hope that the House will vote for action today and I urge Members to support the motion.

6.50 pm

The Minister of State, Department of Energy and Climate Change (Charles Hendry): I am delighted to have the opportunity to respond to the debate, which I think we all would agree has dealt with some extremely important issues that concern us all. I think we should start with the recognition that there is no monopoly of care when it comes to fuel poverty. Every Member of the House, regardless of party allegiance, cares about their constituents being able to pay their bills and worries about how they can do more to assist them. This is a long-term concern. Fuel poverty started to come down in the 1990s under the Conservative Government and continued to decline until 2002. It then increased from 2 million households living in fuel poverty to almost 6 million over the course of the Labour Government. As prices have continued to rise, fuel poverty has continued to go up. It is an issue that no party can claim to have addressed, but one that every Member cares about finding the right solutions to.

Important issues were raised in the course of the debate. The hon. Member for Glasgow North West (John Robertson) talked about the difficulty of insulating the types of housing found in his constituency and the hon. Member for Angus (Mr Weir) referred to the problems faced by people on prepayment meters. We heard the continuing debate about off-gas grid customers. We welcome the progress and the interaction we have had with the hon. Members for Ynys Môn (Albert Owen) and for North West Durham (Pat Glass) and my hon. Friend the Member for Hexham (Guy Opperman) to try to ensure that constituents who are off-gas grid get a better deal than they have had so far. We have ensured that the warm home discount will be payable to those who are off-gas grid and have seen good engagement with the Office of Fair Trading, which said following its market study that if there was evidence of market abuse it would carry out a full investigation in that area.

I have asked Members on both sides of the House to provide evidence of how the market is working in their constituencies and, if they find that there is not the range of market providers that the OFT suggests, ensure that that is brought to my attention. If there are problems with delivery in some areas or with advance payments being required, I want cast-iron evidence so that we can decide on the most appropriate way to go forward on those issues.

We have heard discussions about the green deal, which the right hon. Member for Don Valley (Caroline Flint) raised. I well remember a discussion with the right hon. Member for Lewisham, Deptford (Dame Joan Ruddock) in 2010, when she was Energy Minister, after we had put forward an amendment to the Energy Bill. She said that the green deal was not possible and the Labour Government voted it down. We could have

had the green deal in place 18 months ahead of where we are now and delivering the sort of help we want to see. It is the most ambitious programme this country has ever seen for insulating our homes, with the ambition of 14 million homes having good energy insulation over the course of the next decade, which knocks into oblivion any other scheme that has been tried by previous Governments. I well remember the current leader of the Labour party, when he was Secretary of State for Energy and Climate Change, telling the House in December 2009 that their ambition was to have five pilots in different parts of the country. We have taken it from five pilots to a nationwide scheme delivering on a level that has never before been possible.

My hon. Friend the Member for Elmet and Rothwell (Alec Shelbrooke) was absolutely right to draw our attention to the upward pressure on prices. Indeed, the Leader of the Opposition, in his Labour party conference speech last year, said that

"over time there is going to be upward pressure on energy prices."

Yet from the right hon. Lady there was not a word about the global picture—the fact that towards the end of last year gas prices were 40% up on the year before, after the world's worst oil incident in the gulf of Mexico, the world's worst nuclear incident in Japan and a war in the middle east. She wrote that out and acted as if the only reason for prices going up is the greed of the energy companies, saying that we in this debate have to get a sense of reality.

What the Government have been doing, however, is working to remove some of the levies that Labour put in place. Indeed, over the course of this decade we will have reduced people's energy bills by £100 compared with what they would have been if Labour's levies had stayed in place. The renewable heat incentive is now to be paid from general taxation, rather than from a levy; and the carbon capture and storage levy, which, in the words of the leader of the Labour party, was going to cost £9.5 billion over the coming years and be paid for by consumers, is no longer on consumers' bills.

Introducing the green deal, the warm home discount and electricity market reform, rebanding the renewables obligation and changing the feed-in tariffs will all help to bring down consumers' bills by £100 when compared with what they would have been under Labour's levies. So where Labour put in place stealth taxes on bills, this Government have now removed them.

As my hon. Friend the Member for Warrington South (David Mowat) said, the issue is not just one of global energy prices, but whether there is enough electricity generation to meet demand. There was not a word from the Opposition about the need to rebuild our energy infrastructure—the £200 billion that is necessary, or the fact that during this decade we have to secure twice as much investment as Labour achieved during the previous decade. In reality, if we do not secure that investment, the lights in this country will go out. The leader of the Labour party, when in government, referred to that as "energy demand unserved", whereas all of us know that in ordinary people's language it means power cuts. That is why we have started the most ambitious programme of market reform—things that Labour in government told us were not necessary. The carbon floor price, the capacity mechanism and market reform more generally have all been put in place in less than two years by this new Government.

We are also clearing Labour's backlogs. Last year, the highest number of planning consents since the Electricity Act was passed in 1989 were granted to get those new projects under construction, and the highest number of oil and gas licences for more than a decade were approved, as we try to get the most out of our indigenous resources. We have already brought forward by 12 months the roll-out of the smart meter programme, because of its importance in giving consumers control over their bills, so it was no wonder that Steve Holliday, the chief executive of National Grid, when interviewed on television a week ago said that we were closer to having an energy policy now than at any time in his lifetime.

My hon. Friend the Member for Ipswich (Ben Gummer) also highlighted the role of the Leader of the Opposition in the issue. It is worth looking at what he has said and where his policy has gone. It has not been a good week for the right hon. Gentleman, and it may not get any better now. In government, he said that there should not be a Competition Commission inquiry, yet the Labour party in August said that there should be, and now it is silent. We do not know its view on that issue now. In government, he said also that the energy companies should not be broken up, but in his conference speech he talked about breaking the dominance of a market that has clearly failed. Now, a few months later, he is silent on that as well.

The right hon. Gentleman talked about pooling electricity generation, yet he did not agree with that in government, and now the Labour party is silent. Ahead of his conference speech, he talked about cutting energy bills for four out of five families, but that has been lost. All we hear today is that people who are over 75 years old should be given extra support: bizarrely, a Labour party giving more support to wealthy 75-year-olds than to 74-year-olds who are struggling to pay their bills.

As my hon. Friend the Member for Truro and Falmouth (Sarah Newton) said, we have in place measures that are working. We have simplified tariffs, and we have helped with switching, although there is more to be done, as my hon. Friend the Member for Norwich South (Simon Wright) said. We have introduced the biggest energy efficiency initiative ever, and there is more help to encourage new entrants—

Ms Rosie Winterton (Doncaster Central) (Lab) *claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

Question agreed to.

Main Question accordingly put.

The House divided: Ayes 248, Noes 323.

Division No. 421] **[6.59 pm**

AYES

Abbott, Ms Diane	Bailey, Mr Adrian
Abrahams, Debbie	Bain, Mr William
Ainsworth, rh Mr Bob	Balls, rh Ed
Alexander, rh Mr Douglas	Banks, Gordon
Alexander, Heidi	Bayley, Hugh
Ali, Rushanara	Beckett, rh Margaret
Allen, Mr Graham	Begg, Dame Anne
Anderson, Mr David	Bell, Sir Stuart
Ashworth, Jonathan	Benn, rh Hilary
Austin, Ian	Benton, Mr Joe

Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Clwyd, rh Ann
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harris, Mr Tom
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hood, Mr Jim
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, rh Mr Elfyn
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacNeil, Mr Angus Brendan
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Owen, Albert
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, Angus
Robertson, John
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Dame Joan
Sarwar, Anas
Seabeck, Alison
Shannon, Jim
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Weir, Mr Mike
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Wicks, rh Malcolm
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Nic Dakin and Tom Blenkinsop

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldwin, Harriett
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brine, Steve
Brokenshire, James
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burt, Alistair
Burt, Lorely
Byles, Dan
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carswell, Mr Douglas

Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Field, Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Sir Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Heald, Oliver
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simmonds, Mark
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, rh Nicholas
Soubry, Anna
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, rh Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mr Shailesh Vara and Mark Hunter

Question accordingly negatived.

Business without Debate

DELEGATED LEGISLATION (COMMITTEES)

Ordered,

That the Motion in the name of Sir George Young relating to the Electoral Commission shall be treated as if it related to an instrument subject to the provisions of Standing Order No. 118 (Delegated Legislation Committees) in respect of which notice of a motion has been given that the instrument be approved.—(*James Duddridge.*)

Khat

Motion made, and Question proposed, That this House do now adjourn.—(*James Duddridge.*)

7.15 pm

Mark Lancaster (Milton Keynes North) (Con): I am delighted to have secured this debate, and I would like to start by paying tribute to the attempts by successive Governments to deal head on with specific issues encountered by minority communities—as we heard only today with the Prime Minister's commitment to address forced marriage. I must admit, however, to being slightly disappointed that, as a Member of a party that raised the expectations of my constituents by pledging to ban the drug khat while in opposition—a commitment made by no fewer than three members of the shadow Cabinet on three separate occasions—I stand here yet again calling on the Government finally to fulfil their very clear commitment. This is not a partisan issue. Indeed, as I sense we shall see tonight, it unites the House, and it is time that the Government acted.

I have three main points to make but I shall give first a little background, which I hope will mean that the Minister in his response will not need to dwell on the past, but can focus on the future actions his Department intends to take. The distinctive customs and traits of other cultures constitute the vibrant country that we live in today. East African culture has had a particularly far-reaching effect on our society. The religious dedication and hard-working ethos that colour the characters of east Africans have been something to admire over recent years, with independent businesses and community leaders flourishing across towns and cities in the UK. However, with the highs come the lows. One element of east African culture which has long been disputed is the legality of the native east African drug khat. Given the frequency with which khat has been discussed over the past year, I know that most hon. Members are now familiar with the drug, but for the benefit of those who are not, I shall explain in more detail.

Khat plants are grown in Africa and the middle east, and are chewed primarily among Somali, Ethiopian and Yemeni communities. The effects of khat are varied but as a stimulant it creates euphoria and increased sociability—hence its popularity at social gatherings such as weddings. However, the paranoia, aggression and hallucinogenic effects make it extremely disruptive not just to the individual and their health, but to their family and wider society.

Khat is a barrier to inclusion and integration, and it was my sincere impression—and more importantly that of my constituents—that this Government intended to act. This is the second time I have raised the subject of khat in this Chamber and I was deeply encouraged when the Lord Commissioner of Her Majesty's Treasury, my hon. Friend the Member for Kenilworth and Southam (Jeremy Wright). confirmed in response to the first debate that in February last year the Advisory Council on the Misuse of Drugs was ordered to carry out a full review of the available evidence on khat, and to reconsider the question of controlling it. One year on, and with no report to speak of and none expected anytime soon—indeed, this week the Department confirmed that it will be at least another year—the same amount of limited research is available to us.

From the first mention of khat in Parliament 16 years ago to this very day, Members on both sides of the House have shared their evidence. From Portsmouth to Glasgow, councils and local authorities are standing in isolation, but what we need is a joined-up, united front. My debate today has been sparked by the frustration of my constituents that after 19 months of the coalition Government we appear to be no further forward.

In seeking to progress the matter, I wish to highlight three distinct points. First, I wish to remind my hon. Friend the Minister, for whom I have enormous respect, of the detrimental impact that khat has on issues ranging from health to crime. This will demonstrate how simply kicking this issue into the long grass with further "monitoring" is simply unacceptable. Secondly, I want to revisit the pledge that we made in opposition to act on khat, and to ask why we now seem to be shying away from this pledge. Lastly, I will suggest that tackling khat fits in with this Government's recent accomplishments in determinedly facing up to the problems that divide our minority communities.

Jim Shannon (Strangford) (DUP): The hon. Gentleman has outlined some of the side effects of the drug, which also include insomnia and depression. Does he feel that those two health effects are sufficient reason to ask that the legislation be changed urgently? Does he agree that it is important that any legislative change should affect all the regions, in conjunction with the devolved Administrations, so that it applies UK-wide?

Mark Lancaster: The hon. Gentleman makes an important point; indeed, I will come to the health effects in greater detail shortly. However, let me be absolutely clear that I am pressing for this Government to act in the manner that he suggests.

In my constituency, there are more than 6,000 Somali residents. One of the leaders of the Milton Keynes Somali community, Adan Kahin, has shared many alarming stories with me. His biggest concern is that khat is at the root of family breakdown, owing to issues such as unemployment, economic hardship or aggression arising from heavy usage. Adan has expressed explicit concern about the number of teenage boys whose fathers are absent from the home, instead spending all day chewing in a mafrishi, or khat house. If the Government are truly concerned about the antisocial behaviour witnessed last summer, it is vital that we shine a light into those corners of society. Adan has warned of usage spreading to female members of the community—women who are left alone all day with large numbers of children and little escape. What links all users, however, is the common belief that turning to khat will alleviate the destitution and stress that permeate their lives. I am even aware of instances in well-regarded British institutions where khat has been chewed inappropriately during working hours. There have also been complaints about disturbances caused by delivery of the plant and violence outside mafrishis, with one incident even leading to the death of a seller in my constituency.

Our hands-off policy means that there is absolutely zero quality control. One box of khat checked by port health at Heathrow contained such high levels of pesticides that it was unfit for human use, and that is just one box out of the 10 tonnes arriving each week. Because of the lack of information held on hospital admissions, we are still uncertain about the overall long-term health effects. Problems range from the need for substantial dental treatment, owing to the quantity of sugar and cigarettes consumed, to more serious conditions, such as liver failure and psychosis. It is clear that health practitioners are clueless about how to advise users. Those wishing for a fresh start are stranded, with little or no support—no addiction services or pharmacological agents who can treat khat dependence. Essentially, there are few ways out.

The last review of khat surmised that usage is not prevalent. That may be true for the mainstream population, but not for the demographic concerned. It has been put to me that the Government are not interested because this is perceived as a minority issue. I know that this is not the case, but it is in the Minister's hands to demonstrate to my community that he does care, as actions, as we all know, speak louder than words.

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): I congratulate my hon. Friend on securing this important debate. On that very point, when the Advisory Council on the Misuse of Drugs reported in 2005, it said:

"On the basis of the evidence, the Council recommends that Khat is not controlled".

However, the following sentence, to which I think he is referring—this is the pertinent one—says:

"Use of the substance is very limited to specific communities within the UK, and has not, nor does it appear likely to, spread to the wider community."

Does it not appear to him that there is no equality under the law in this case? The last time the issue of khat was analysed, it seems that the ACMD advised that we not ban it, simply because it applied only to that minority community.

Mark Lancaster: My hon. Friend makes a powerful point, which simply underlines what I said earlier. I know that the Minister is committed to equality, which is why I am sure he will address the issue when he responds to this debate. Khat does easily not fit a pre-existing drugs profile, given that its use is limited to certain ethnic communities. That is precisely why we must give it special attention.

Let me move on to my second point. The Government's silence on this issue prompted me to re-read our manifesto, to make sense of the khat conundrum, but it holds no evidence of a U-turn, with other evidence actually pointing to the contrary. In a 2008 article in *The Guardian*, the co-chair of the Conservative party, the noble Baroness Warsi, claimed that khat was

"far from harmless and should be banned".

Indeed, the title of that article was "Conservatives will ban khat"—not "Conservatives might ban khat", not "Conservatives will consider banning khat", not "Conservatives will seek advice from the ACMD and then ban khat", but "Conservatives will ban khat". In a 2006 report entitled "The Khat Nexus", the then shadow Home Secretary, my right hon. Friend the Member for Haltemprice and Howden (Mr Davis), claimed that a Tory Government would

"schedule khat as a class B drug."

Those were watertight pledges, made regardless of an ACMD review. So if nothing else, can the Minister explain to my constituents why we now appear to have had a change of heart?

[Mark Lancaster]

This Government have, however, made a beeline for new legal highs. It is right that we award legal highs that attention, but we cannot ignore the fact that khat, by its very nature, also fits the description of a legal high. I was shocked to learn that cathine and cathinone, two components of khat, are members of the same group of drugs as mephedrone. As components, cathinone and cathine are illegal, as is mephedrone, yet contradicting all common sense, khat, which contains those same substances, is legal. I would like to know how we can continue to promote the hypocritical message that cathinone is okay in one substance but not in another? Just because a drug is legal does not mean it is safe. Tackling new legal highs cannot be a flag-waving policy; we must not forget the question of khat, which has languished in this Chamber year after year. As we take action on those powerful synthetic drugs, khat users and their families watch from the sidelines as their plea goes unheard yet again.

Another reason for my keen interest in this topic is that it is a cross-party point of concern. Wherever large immigrant groups of Somalis settle, the problem of khat is never far behind. This is an issue that the whole House can support, and we should therefore be working towards an integrated solution. It does not help that councils and local authorities are standing alone on the issue. I commend Hillingdon council's recent report, produced in 2011, which was forthright enough to make recommendations to the Government on matters ranging from classification to temporary bans.

Unlike the UK, some countries are acting. As of yesterday, even the Netherlands—a country renowned for its liberal drugs policy—has banned khat. The UK is now the only legal point of entry for khat into Europe, and that is an embarrassing position to find ourselves in. The Dutch Government have clearly stated that 10% of users, who are predominantly Somali, develop problems with khat. I want to ask the Minister what is preventing us from safeguarding our citizens in the same fashion. The most disturbing comparison comes from Somalia itself: even that war-torn country has made moves to control khat. Islamist courts there are working to put a stop to the khat scourge, and to promote a more stable and cohesive society. What we need is joined-up thinking, and top-down leadership to reassure councils and communities that they are not alone. This is an ideal opportunity for the Government to prove to our communities that we recognise—and, indeed, will tackle—the problems on their doorstep.

That leads me nicely on to my third and final point, which is the commendable way in which this Government have faced up to issues that traditionally effect ethnic minority communities. We have not shied away from those problems, which are so often left to rot at the core of our society. We have rightly begun to take steps to address forced marriage in this country—an issue that has shocked the nation and that works directly against the values and self-worth that we teach our young women, of every background, in British schools. The work that we are promoting on the subject of domestic violence will have a direct effect on majority and minority ethnic communities.

That is not all. I was encouraged to read in the Conservative manifesto that we would be promoting improved community relations for minority ethnic communities, which action on khat will help to deliver. In my own constituency, good work is being done to address those marginalised, sometimes controversial, issues; acting on khat will not be out of step with the current momentum. We can prove to those who doubt our intentions that when we make promises, we stick to them, which is why I am sure the Minister will agree that it is important, given our previous promises, that we are seen to act on khat.

Finally, I want to bring the debate right up to date. We are standing here today, almost one year on from the report being ordered, with no new evidence from the Advisory Council on Misuse of Drugs. Since its appearance on the British crime survey of drug misuse, the usage of khat has increased. We are unaware of the percentage of khat imports that are being used to extract cathinone and cathine, and in turn, being illegally re-exported. Also, we have only anecdotal evidence that usage is spreading to the indigenous population. Why have we not commissioned a report to explore that threat?

Today, I want to know why my Government's previous enthusiasm for acting on khat has waned so suddenly. May I ask the Minister to consider how I should respond when my constituents ask again what the Government are doing to protect future generations from the dangers of khat? And—if I may have the audacity to predict his response—may I ask whether he realises that, in order to get the evidence that his Department repeatedly demands, procedures have to be put in place first, in order to reap that information? Banning khat is unfailingly the end-state that I and the community want from this Government, as previously promised, but I wish to outline other possible interim measures.

Jim Shannon: The drug khat is controlled in America, Canada, Norway and Sweden, to mention but four examples. Does the hon. Gentleman feel that the Government could make contact with those countries to ascertain how they went about criminalising the drug? Might this not provide a way forward on the basis of information that might be helpful for the Government?

Mark Lancaster: I thank the hon. Gentleman for that suggestion, which underlines the ridiculous point that, following the Dutch move only this week, khat is controlled everywhere in the western world apart from in the United Kingdom.

These are the interim suggestions I would make to the Minister—hopefully to be implemented before we get around to banning khat. Better provisions must be made for addict support. The most effective way of delivering this would be to provide targeted training to those already working within areas affected by khat, to deal with it in a culturally acceptable way. Community mobilisers who already assist with housing, health and education are incredibly well placed to co-ordinate this. Evidence suggests that heavy users are unlikely to seek help, which means that we must do more to reach them.

Secondly, a full health practitioners' guide to khat and its health effects should be prepared and delivered to GPs and pharmacists nationwide. Thirdly, greater attention must be given to the importation of khat at ports. Finally, the disruption caused by khat houses and

mafrishi congregations can be controlled through licensing. A minimum age should be introduced to protect young British citizens from the harm caused by the drug. Checks must be carried out on premises to ensure that they comply with health and safety standards.

After years of talk on khat, if my Government wish to retain the trust of the east African community, the time has come to follow the rest of the western world and act on khat.

7.31 pm

The Parliamentary Under-Secretary of State for the Home Department (James Brokenshire): This has been an interesting and impassioned debate, and I would like to take this opportunity to thank my hon. Friend the Member for Milton Keynes North (Mark Lancaster) for continuing to raise this issue. I am mindful that this is the second debate he has secured, having previously spoken on the same topic in a pre-summer recess debate last year. He represents well and effectively his constituency and these particular parts of the community in it by seeking to draw attention to this issue this evening.

My hon. Friend said that there was some kind of formal commitment and he drew attention to statements of shadow Ministers in the Opposition prior to the last general election. I would say to him, however, that there was no specific manifesto commitment and no provision was made in the coalition programme for government for the classification of khat. I would like to assure my hon. Friend, the community he represents and other communities and interested parties that the Government are concerned about this serious issue. It is a matter we want to investigate properly and effectively by closely examining the problems highlighted this evening; we do not want to kick this into the long grass.

We have heard today about real public concerns over health issues—sleep deprivation, loss of appetite, oral hygiene and mental health—and particularly about the social harms associated with the use of khat. Although its use has a cultural context and can be socially accepted among Somali, Yemeni, Ethiopian and Kenyan communities in the UK, many concerns have been raised within these communities. Higher prevalence of khat use among them and its potential for misuse might well disproportionately affect the social cohesion around khat users and their families, as well as their quality of life within wider UK society. We need fully and properly to understand this dimension.

Under the Misuse of Drugs Act 1971, the Government are required to look to the Advisory Council on the Misuse of Drugs to provide advice on drug-related issues, including on the case for control based on available evidence at the time of its consideration.

As my hon. Friend knows, the ACMD last formally considered the misuse of khat in 2005, when it advised against bringing the plant under the control of the 1971 Act and made recommendations for health and prevention approaches responding to local community needs, which the last Government accepted. In the light of those 2005 recommendations, the handling of khat-related issues has focused on the tailoring of health and education responses to local community needs, such as the availability of appropriate drug prevention materials and information to raise awareness among practitioners and khat-using communities.

Mark Lancaster: Will my hon. Friend confirm that the Government are under no obligation to follow the ACMD's advice? The last Government did not do so when it came to the reclassification of cannabis.

James Brokenshire: The Government will consider the evidence and recommendations supplied to it by the ACMD. The ACMD has an advisory role in that context and Ministers make the ultimate decision, but we have stated in our working protocol with the ACMD that we should properly consider the advice that we are given, and I think that that is the appropriate course.

The FRANK service provides information and advice on khat and harms associated with its use and misuse, directed at young people, their parents, and those working with them. Treatment for khat misuse typically consists of psycho-social interventions and talking therapies to help change behaviour, and drug action teams are expected to review commissioning of local services in order to respond in the best way to the diverse needs of their local communities. My hon. Friend has specifically sought to draw attention to that diversity this evening.

Mark Lancaster: Will the Minister give way?

James Brokenshire: I will give way once more.

Mark Lancaster: Can the Minister confirm that FRANK offers that information and advice in the native languages of the east African communities?

James Brokenshire: I am told that a leaflet has been published in English and Somali, that a range of other drug information leaflets have also been published in Somali, and that the helpline is equipped to take calls in Somali via a translator. However, I understand my hon. Friend's wish to ensure that the service is provided in a way that makes it accessible to those who may be in the greatest need of its support, and I agree with him that more needs to be done.

The Government are concerned about khat use—particularly among young people—and about the societal impact on the most affected communities, and they adopt a serious approach to their role by taking appropriate action to protect all sections of the community from harms caused by drugs. Since the ACMD's last review in 2005 there has been an advance in the evidence base, which is why I requested the ACMD to undertake a comprehensive review to update its 2005 assessment. The chair of its khat working group has told me that the planned process of evidence-gathering for the review will be rigorous, and will include engagement with communities and stakeholder organisations and a public evidence-gathering meeting.

The ACMD review will cover issues including classification of khat under the 1971 Act, reporting the prevalence of khat use, identifying key khat-using populations, identifying and quantifying harms associated with khat use—specifically social harms—developing an understanding of responses to khat use through services and public information campaigns, and considering the nature of the khat trade, including international trafficking. The chair of the working group has indicated that he would be pleased if my hon. Friend put him in contact with constituents who have evidence to contribute to the review. Furthermore, the ACMD would welcome

[James Brokenshire]

sharing its terms of reference for the review and its planned process for evidence collation. I would certainly encourage my hon. Friend and other Members present to get involved and support that. My right hon. Friend the Home Secretary will emphasise in her annual commissioning letter to the ACMD, which will be issued shortly, the priority that this work should now continue to have as part of the ACMD's work programme in order to ensure its advice is delivered on time.

We have published two studies on khat, one in October 2010 and the other in July 2011. They reviewed perceptions and international evidence on the link between khat use and social harms, and included an overview of the evidence in respect of legislative approaches adopted abroad. These studies have been shared with the ACMD to inform its review. We identified research gaps, which was why those two studies were commissioned. We anticipate that they will help inform the ACMD's review. We will ensure that there is appropriate information and we encourage others to participate in the review.

The October 2010 study of perceptions of social harms found that khat use was widely socially accepted within Somali, Ethiopian and Yemeni communities, and that there was an increased prevalence of use including among women and young people. There was widespread support for some level of Government intervention, but there was no consensus, although there was a range of suggestions, including regulation of trade, local investment in tailored services and more research and better statistics, and some called for control.

The July 2011 review of literature on social harms found no robust evidence either for or against in respect of the link between khat and social harms, but there were perceptions of social harms among the UK's immigrant Somali, Yemeni and Ethiopian communities although there was little evidence of a clear causal relationship to support this view. Reference was made to stronger evidence on the health harms of khat consumption.

The Government have made clear in our drug strategy a commitment to a drug policy that is based on evidence and outcome. We have placed proper consideration of the advice provided by our independent experts, the ACMD, at the heart of enabling the delivery of the strategy. The Government and the ACMD have also agreed a new working protocol, which has been placed in the House Library, setting out a framework for mutual engagement in line with statutory duties. I am sure that my hon. Friend shares my anticipation at the publication of the ACMD's findings and appreciates the importance of considering the advice of our experts before deciding on next steps, in particular any legislative intervention. My hon. Friend will not expect the Home Secretary to prejudge the outcome of this advice and preclude the consideration of evidence that will be available then. I take this opportunity to invite Members to direct any representations and evidence in respect of khat to the secretariat of the ACMD, based at the Home Office.

We take this issue very seriously. I commend my hon. Friend on the way in which he has approached it and his continued focus on it. We will not kick it into the long grass. We remain focused on this matter and will take action if that is judged appropriate.

Question put and agreed to.

7.44 pm

House adjourned.

Deferred Division

LOCAL GOVERNMENT FINANCE BILL (CARRY-OVER)

That if, at the conclusion of this Session of Parliament, proceedings on the Local Government Finance Bill have not been completed, they shall be resumed in the next Session.

The House divided: Ayes 329, Noes 207.

Division No. 418]

AYES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Brine, Steve
Brokenshire, James
Brooke, Annette
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burns, Conor
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Cameron, rh Mr David
Campbell, Mr Gregory
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Dinenage, Caroline
Djanogly, Mr Jonathan
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Flynn, Paul
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Sir Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunter, Mark
Huppert, Dr Julian
Hurd, Mr Nick
James, Margot
Javid, Sajid
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leslie, Charlotte
Lewis, Brandon
Lewis, Dr Julian
Lilley, rh Mr Peter
Lloyd, Stephen
Llwyd, rh Mr Elfyn
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
MacShane, rh Mr Denis
Main, Mrs Anne
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McCartney, Karl
McCrea, Dr William
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mitchell, rh Mr Andrew
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
O'Brien, Mr Stephen
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paisley, Ian
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Percy, Andrew
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Russell, Sir Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim

Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Simmonds, Mark
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, rh Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

NOES

Ainsworth, rh Mr Bob
Alexander, Heidi
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Burden, Richard
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Doyle, Gemma
Dromey, Jack
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Fitzpatrick, Jim
Flello, Robert
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Jones, Graham
Jones, Helen
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Long, Naomi
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Moon, Mrs Madeleine
Morden, Jessica
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Rotheram, Steve
Roy, Mr Frank
Ruane, Chris
Ruddock, rh Dame Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Stuart, Ms Gisela
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David
Wright, Mr Iain

Question accordingly agreed to.

House of Commons

Thursday 12 January 2012

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

TRANSPORT

The Secretary of State was asked—

Road Infrastructure

1. **Mark Garnier** (Wyre Forest) (Con): What steps she is taking to improve road infrastructure. [88221]

4. **Gavin Barwell** (Croydon Central) (Con): What steps she is taking to improve road infrastructure. [88224]

10. **Stephen Metcalfe** (South Basildon and East Thurrock) (Con): What steps she is taking to improve road infrastructure. [88231]

13. **Julian Sturdy** (York Outer) (Con): What steps she is taking to improve road infrastructure. [88234]

The Parliamentary Under-Secretary of State for Transport (Mike Penning): The Government announced in 2010 that we were investing £2.1 billion to start 14 new road schemes over this spending review period and to complete eight existing schemes. A further £1 billion of new investment was also allocated in the autumn statement to tackle areas of congestion on the strategic road network.

Mark Garnier: As the Minister will be aware, a number of other projects can have specific local economic impacts. Two such projects are the Stourport relief road and Hoo Brook link road in Wyre Forest. Will the Minister meet me and the leaders of Wyre Forest district council and Worcestershire county council to discuss how his Department might assist in the progress of those two projects?

Mike Penning: I will be more than happy to meet my hon. Friend and those council leaders, but I think this is probably a matter for my colleague the Minister for local roads, the Under-Secretary of State for Transport, my hon. Friend the Member for Lewes (Norman Baker). If he can meet them, that will be fine, although, ultimately, these matters are for the local authorities.

Gavin Barwell: Congestion on the A23 is a major problem. Will the Minister or one of his colleagues meet me to discuss what the Department, along with the Mayor of London, can do to improve conditions on that road?

Mike Penning: I am always more than happy to meet colleagues, especially to discuss the A23, which is a much-improved road since the Hindhead link tunnel was opened. The stretch of the A23 about which my hon. Friend is concerned is mainly a matter for the Mayor, but I am more than happy to help in any way I can.

Stephen Metcalfe: The Minister is aware of the importance to the national economy of the Dartford crossing, and he is introducing plans to increase capacity. However, to get the maximum benefit from those improvements work must be done on junctions 30 and 31 of the M25. When will the Minister publish detailed, costed plans for those improvements, which are especially important given the developments that have taken place in the Thames Gateway?

Mike Penning: I can tell my hon. Friend the Member for Thurrock—*[Interruption.]* My hon. Friend the Member for South Basildon and East Thurrock (Stephen Metcalfe); I apologise for having got the constituency name wrong, but it is a long time since I stood for election in that part of the world. We are currently working on the costings for junctions 30 and 31. As my hon. Friend will be aware, the fantastic investment by DP World at the Gateway port means there will be work at junction 30, and we will publish proposals as soon as we can.

Julian Sturdy: As my hon. Friend the Minister will know, I am deeply concerned about the A64 and the A237 in York. Those vital road corridors are increasingly congested and accident prone and are a major drain on our local economy. Can the Minister give me any information about any future funding for projects, and will he again meet me and a group of local MPs who share my concerns?

Mike Penning: It looks like I shall be very busy with meetings, but I am more than happy to meet my hon. Friend and his colleagues as we look for new road programmes for the future. He may not know that I was on the A64 to Scarborough on new year's day and experienced some of the traffic problems on that day.

Kelvin Hopkins (Luton North) (Lab): As the Minister's constituency is near mine, he will know that we in the eastern region have terrible east-west road links. Is he carefully considering any serious schemes for improving those links?

Mike Penning: Yes, and we are looking very closely at one of the most significant road problems we have: the A14 link across the eastern corridor. We have limited available funds, but I am very pleased that the Chancellor announced an extra £1 billion in the autumn statement. I will be happy to work with the hon. Gentleman at any time to improve the transport links in our part of the world.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): Although we always like to hear of the big schemes, is the Minister aware that low-cost engineering schemes save the most lives? They are the best investment and offer the best bang for the buck. In this the United Nations decade of accident reduction, the most likely cause of death for any young man anywhere in the world is a road accident, so will we consider any innovations we might introduce on the roads through low-cost schemes?

Mike Penning: The hon. Gentleman is absolutely right and the fact that he mentions is a sad indictment. Boys aged between 17 and 25 are 10 times more likely to be involved in an accident than a lady of that age. Low-cost schemes are vital, and some of the very low-cost schemes, such as retro-reflective paint on roads, have moved things on a huge amount in the last 10 years. I assure the hon. Gentleman that I am considering such schemes.

Bill Esterson (Sefton Central) (Lab): The Government have approved construction of the Switch island to Thornton relief road. The land is owned by a number of Government agencies, including the Forestry Commission, the Vehicle and Operator Services Agency and the Highways Agency. Will the Minister encourage his ministerial colleagues to speed up negotiations with Sefton council, so that work can start on the road?

Mike Penning: I am working with other Departments and Ministers. This is a vitally important scheme and we will push it forward as fast as we possibly can.

Dr Julian Huppert (Cambridge) (LD): Cycle infrastructure is sadly lacking across the country and that causes a number of safety problems, such as a recent tragedy at King's Cross and many others around the country. What steps is the Minister taking to improve the quality and amount of cycle infrastructure on our roads?

Mike Penning: Most of the roads I am responsible for are part of the national road infrastructure, and I hope there are no cyclists on that part of the infrastructure. However, the hon. Gentleman is absolutely right: cycling is vital not only to local commuting and enjoyment but to the health of the nation. I am sure that the Under-Secretary of State for Transport, my hon. Friend the Member for Lewes (Norman Baker) was listening closely to what the hon. Gentleman said.

Ticket Office Closures

2. **Teresa Pearce** (Erith and Thamesmead) (Lab): Whether her Department has conducted an impact assessment of the proposal in the McNulty report on closure of ticket offices. [88222]

The Minister of State, Department for Transport (Mrs Theresa Villiers): No impact assessment has been conducted of this proposal in the independent report undertaken by Sir Roy McNulty.

Teresa Pearce: Disabled people in my constituency already have trouble accessing work and leisure opportunities in London because Erith station's London-bound platform has no disabled lift or step-free access. They are advised by the train operating company to travel in the opposite direction for 15 minutes and then change trains. The closure of the ticket office at Erith will further disadvantage this group of people. Will the Minister consider an equality impact assessment on the proposal and reject McNulty's plans to close ticket offices, particularly at places such as Erith, where disabled people already face a difficult journey?

Mrs Villiers: In considering the recommendations of the independent McNulty report and before any decision was made on changes to future ticket office rules, it would of course be vital carefully to assess the needs of disabled communities and pensioners. That would be a very important part of any decisions made on future reform of ticket offices.

Mr James Gray (North Wiltshire) (Con): The McNulty report identified some 30% savings in real costs across the piece. If that is to be achieved by the closure of ticket offices or in other ways, what will the Minister do to ensure that that money will be passed on not to the rail companies but to the users? The line from Chippenham—the constituency of my hon. Friend the Member for Chippenham (Duncan Hames)—to London is among the most expensive in the world: more, mile for mile, than the cost of Concorde. We need to cut those rates, and we can do that by saving money on the infrastructure.

Mrs Villiers: We have made it clear that it is vital to get the costs of running the railways down, and it is also vital that the benefits of those cost reductions be shared by both taxpayers and fare payers so that we can give both better value for money. If we can achieve savings on the scale contemplated by McNulty, we could, we hope, see the end of the era of above-inflation fare increases.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): Costs impact on fares, as the Minister has just said. In London, Conservative Mayor Boris Johnson—[Hon. Members: "Hooray!"] I expected a more Pavlovian response, Mr Speaker. Mayor Johnson has approved rises on average of nearly 6%, yet Labour mayoral candidate Ken Livingstone—[Hon. Members: "Hooray!"] Much better, Mr Speaker. Both sides of the House appreciate the Labour candidate; I am sure he would be very reassured. Ken Livingstone says he can cut fares by between 7% and 11% because of Transport for London surpluses. Has the Minister had any discussions with Mayor Johnson about the rises?

Mrs Villiers: The hon. Gentleman is completely naive in his approach to Ken Livingstone's proposals on fares. Livingstone's numbers simply do not add up, and his track record shows that he promises fare reductions and ends up delivering fare hikes.

Mr John Leech (Manchester, Withington) (LD): Does the Minister agree that no station operator should be allowed to close ticket offices where there are any real concerns about security and safety as a result of creating an unmanned station?

Mrs Villiers: Certainly, if we were to change the way ticket offices operate, we would need to look carefully at all safety and security consequences, as well as taking into account the concerns of the disabled community and pensioners. However, we do need to look at ticket offices as part of the process of reducing costs on the railways, in order to deliver the better value for money that passengers want. We need to do that because the way passengers are buying tickets is changing. Oyster in London demonstrates that there are some high-quality alternatives to the ticket queue. If we can roll those out

more widely, which we plan to do with ITSO smart ticketing, that will make a difference to our approach to future decisions on ticket offices.

High Speed 2 (Scotland)

3. **Tom Greatrex** (Rutherglen and Hamilton West) (Lab/Co-op): Whether she has made an assessment of the benefits of extending High Speed 2 to Scotland. [88223]

The Secretary of State for Transport (Justine Greening): High Speed 2 would serve Scotland from phase 1, through current classic-compatible high-speed trains running on the existing network, with half an hour being taken off journey times to Scotland. Although the Department has made no specific detailed assessment of the benefits of extending high-speed lines to Scotland, I am committed to delivering a truly national high-speed rail network. Of course, the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), was up there yesterday having those very discussions.

Tom Greatrex: I thank the Secretary of State for her response and trust that her ministerial colleague enjoyed his time in Scotland yesterday and will be back there very soon.

I am sure that the Secretary of State is aware of the business case made by CBI Scotland and others about the benefits, including those for business across the UK, of HS2 eventually coming all the way to Scotland. Is she also aware of the concern that has been expressed in the past couple of days that the constitutional uncertainty in Scotland may make that less likely? Does she therefore agree that it is important that that issue is dealt with so that HS2 and all the economic benefits can come to Scotland, and are then followed through?

Justine Greening: The hon. Gentleman makes an excellent point and I completely agree with it. Like many Members in this House, I want to see a United Kingdom and one of the ways we can unite our kingdom is through high-speed rail.

Paul Maynard (Blackpool North and Cleveleys) (Con): Is the shadow Minister aware that on this issue we need to consider not only what the British Government can do, but what the Scottish Government can do? Is she prepared to consider allowing the Scottish Government to ensure that they can start to build the high-speed line themselves, using their own money and at no cost to English taxpayers?

Mr Speaker: I am sure that the hon. Gentleman did not intend to relegate or demote the Secretary of State.

Justine Greening: Thank you, Mr Speaker.

I do not need to allow the Scottish Government to do that; they already have the ability to get on with starting the preparatory work for a Scottish high-speed line if they want to do so.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): The real benefits of high-speed rail will come from taking the line beyond Birmingham. What commitment can the Secretary of State give to extending the line to Leeds, to Manchester and then, possibly, to Scotland?

Justine Greening: I hope that I can give the hon. Lady a firm commitment, and it is one that she will doubtless have seen in the Command Paper itself.

Mr Gary Streeter (South West Devon) (Con): May I encourage the Secretary of State not to consider extending HS2 to Scotland and instead to place that investment in improving rail capacity to Plymouth and the far south-west? We are now without an airport and, as the motorway stops at Exeter, we desperately need to increase our rail connectivity to the rest of the country.

Justine Greening: My hon. Friend raises the very important question of value for money. The Scottish Government have already said that they are willing to fund a high-speed rail link within Scotland, and of course I will make sure that I strike the right balance between developing any high-speed network further and maintaining our investment in the existing railway network.

Rail Franchises (Scotland)

5. **John Robertson** (Glasgow North West) (Lab): What discussions she has had with the Scottish Government on the renewal of rail franchises for services from and to Scotland. [88225]

The Minister of State, Department for Transport (Mrs Theresa Villiers): The Secretary of State has not yet had the opportunity to discuss rail franchising with the Scottish Government, although I have had a number of such meetings. There are also regular contacts on rail franchising between the Department for Transport and Transport Scotland at official level.

John Robertson: I thank the Minister for her reply. She will be aware not only of the possibility of a referendum in Scotland, but that the ScotRail franchise comes to an end in 2014. Does she agree that when deciding on a new contract the Scottish Government should consider the fact that ScotRail has had the highest level of customer complaints and a fourfold increase in overcrowding at a time when prices are rising by 6%? Will she note that the company's boss is a leading Scottish National party supporter and contributor?

Mrs Villiers: I certainly noted the hon. Gentleman's concerns about ScotRail. I will take them on board and officials will be happy to raise them with Transport Scotland.

Stephen Mosley (City of Chester) (Con): The west coast main line franchise, which serves the west of Scotland, is up for renewal next year. What consideration have bidders for the franchise been asked to put in place to ensure that no disturbance is caused by the construction of HS2, either at Euston or in the London area during the period of that franchise?

Mrs Villiers: It will be a very important part of the planning process for the construction of HS2 that every effort is made to minimise the disruption on existing rail networks. Indeed, that is one of the reasons why building a new high-speed rail network is a better option than seeking to eke more capacity out of the existing west coast main line, given the decade of disruption that

passengers suffered on that. There will be an impact on Euston, but a huge amount of effort is going to be put into ensuring that that is minimised.

High Speed 2 (Scotland)

6. **Graeme Morrice** (Livingston) (Lab): What discussions she has had on the route for High Speed 2 and its possible extension to Edinburgh and Glasgow. [88226]

The Secretary of State for Transport (Justine Greening): The former Secretary of State held discussions with Scottish Ministers regarding a potential extension of High Speed 2 to Scotland last year. As I said, the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), was up there yesterday and we expect to have further discussions with the Scottish Government to identify and evaluate options for developing high-speed rail further in the future.

Graeme Morrice: I hope that the Under-Secretary, who was in Scotland yesterday discussing rail issues, took the train to Scotland. The Scottish Council for Development and Industry's recent survey of leading Scottish businesses demonstrated overwhelming support for extending high-speed rail to Scotland because of the significant economic benefits that it will bring. Will the Secretary of State now give a clear commitment that Scotland will be included in the development of the project from the earliest stage possible?

Justine Greening: Yes.

Iain Stewart (Milton Keynes South) (Con): Does my right hon. Friend agree that taking the route of High Speed 2 through Heathrow will be important in achieving a modal shift for domestic passengers travelling from Glasgow and Edinburgh to London?

Justine Greening: My hon. Friend is right and that is why the second phase of High Speed 2 will see a spur to Heathrow. It is also wise to point out that the first phase will see Birmingham airport effectively connected to High Speed 2, too.

Stephen Timms (East Ham) (Lab): I hope that we will see direct trains from Scotland to Paris and Brussels. Will the Secretary of State confirm that the current proposal is for only a single-track interconnection between High Speed 1 and High Speed 2 and is she open to imaginative ideas to make better use of existing capacity to allow a proper two-track link between the two future high-speed links?

Justine Greening: The right hon. Gentleman is right to point out that we have plans to connect those two high-speed tracks in part of the first phase and his question demonstrates the opportunities for growing that capacity in future years. I think it shows why high-speed rail is so vital to the future of not just the capacity of our rail network but our economy.

Nigel Mills (Amber Valley) (Con): There is great interest in the east midlands about where the route of HS2 and the east midlands station will be located. Will she bring forward the timing of the first announcement of the plans so that we can all understand the potential benefits and downsides of the route?

Justine Greening: The timelines are that we will get some initial advice on potential routes later this year, which will enable us to start having those discussions with local stakeholders and that, by 2014, we will have a preferred route on which we can formally consult. I hope that over the course of this year the sorts of discussions my hon. Friend mentions will be able to take place.

Ian Austin (Dudley North) (Lab): Have the discussions about extending the route to Scotland included considering bringing the fast trains through Birmingham and into the black country, an area that has the largest concentration of manufacturing companies anywhere in Europe? That measure would enable the Government to deliver on their commitment to rebalancing the economy in favour of manufacturing and would cost much less than the alterations she has made to the route to allay the concerns about farms and fields in the home counties.

Justine Greening: The decision I announced earlier this week was my final decision on the route of phase 1, but I was in Birmingham yesterday and one thing that came across very clearly to me was the broader benefits of High Speed 2 for the whole region, including the black country. Of course, by providing more capacity, it will free up capacity on the existing rail network, which will particularly help that part of the country.

Speed Limits

7. **Jo Swinson** (East Dunbartonshire) (LD): What plans she has to encourage the use of 20 mph speed limits. [88227]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I recognise the value that 20 mph speed limits can bring in some locations, particularly outside schools, but it is for local authorities to decide whether and where to implement them. Last October, I took steps to make it easier for every English local authority to introduce 20 mph zones and limits more efficiently and with less bureaucracy.

Jo Swinson: I thank the Minister for that reply. Bishopbriggs in my constituency is trying to become Scotland's first 20 mph town and, as research shows that the risk of children being involved in an accident is reduced by two thirds in 20 mph zones, that is understandable. I congratulate the Minister on the changes he has made. Of course, that improvement does not apply in Scotland, so may I ask what discussions he has had with his Scottish counterparts about the success of the scheme? It would be excellent if the Scottish National party Government followed suit, to the benefit of towns such as Bishopbriggs and others.

Norman Baker: As my hon. Friend will appreciate, this is a devolved matter so I have had no such discussions with Scottish colleagues. There are 2,000 20 mph schemes in England and evidence from the *British Medical Journal* shows a significant reduction in casualties and collisions of about 40%, a reduction in the number of children

being killed or seriously injured of 50% and a reduction in casualties among cyclists of 17% where there are 20 mph limits in London. Perhaps my hon. Friend would like to pass that information back to the Scottish Government.

Mr Robert Buckland (South Swindon) (Con): Many residents in my constituency, like me, support the increased use of 20 mph speed limits, but we are finding that the time over which designation takes place is still inordinately long. I know that the Government have made welcome proposals, but are there any specific observations that my hon. Friend would like to make to assist my local authority in making speedier decisions?

Norman Baker: As I said in response to the initial question, we have made changes as part of the road signs review, "Signing the Way", to make the introduction of such limits and zones more efficient and less bureaucratic. It is now possible to use roundels on the road rather than repeater signs, which saves money and is quicker to introduce. We are also looking at the requirements on local authorities to advertise road changes in traffic management terms.

Winter Salt Stockpiles

8. **Mr Robin Walker** (Worcester) (Con): What assessment she has made of whether stockpiles of salt for winter resilience have increased since 2009. [88228]

14. **Mrs Helen Grant** (Maidstone and The Weald) (Con): What assessment she has made of whether stockpiles of salt for winter resilience have increased since 2009. [88235]

The Secretary of State for Transport (Justine Greening): Total salt stock holdings in Great Britain at the start of December last year were just over 2.7 million tonnes, including strategic stockpiles of 539,000 tonnes. This is a significant improvement on the stock levels held in 2009 and is due to the actions that this Government have taken on winter resilience.

Mr Walker: I am grateful to the Secretary of State for that very reassuring answer. Will she join me in commending local authorities such as Worcestershire that have not only increased their stocks but have also adopted new technologies such as the use of brine and GPS monitoring to make sure their reserves go much further? Is it not right that in these difficult times in preparing for cold weather councils should be innovative and creative in doing more with less?

Justine Greening: I absolutely agree with my hon. Friend and I very much welcome the preparations that Worcestershire county council and other local highway authorities have taken to be prepared for severe winter weather. I also commend Worcestershire for taking on board the guidance that was published through the UK Roads Liaison Group in December 2010, which related to the sorts of things he has talked about.

Mrs Grant: What other winter resilience plans does the Secretary of State have for Kent commuters?

Justine Greening: In addition to the measures I just outlined in relation to increasing not only the level of salt we have but our ability to get the most effective winter resilience out of that salt stock, we are investing to make sure that our rail companies are far better able to cope with bad weather. That includes making sure that we have more de-icing trains as well as better technology for existing trains to de-ice as they run. That will be particularly beneficial to my hon. Friend's constituents.

Metal Theft

9. **Karen Lumley** (Redditch) (Con): What discussions she has had with ministerial colleagues on metal theft from railways and motorways. [88229]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I am in close discussions with ministerial colleagues from the Home Office and other Departments about the severe impact of metal theft on transport and more generally. We are actively discussing measures to tackle this, including amendments to legislation. We are also working with the police to establish a dedicated metal theft taskforce.

Karen Lumley: I thank the Minister for that answer. Network Rail estimates that by the end of 2011, railway passengers will have suffered half a million minutes-worth of delay as a result of metal thefts. Those delays are discouraging people from using railways and Redditch is looking to improve business links. What assurances can the Minister give to businesses in Redditch that this House will legislate to protect the UK economy from this crime?

Norman Baker: The Home Office is the lead Department for legislation, but all Government Departments are fully seized of the need to deal with this issue as a matter of urgency. Discussions are taking place about options. This issue affects not only railways but the highway network and the coastguard service, for example. Most despicably, the theft of cable in the Vale of Glamorgan recently forced the cancellation of 80 operations.

Maria Eagle (Garston and Halewood) (Lab): As passengers up and down the country could tell the hon. Gentleman, performance on Britain's rail network is getting worse and metal theft is a major factor. On the basis of the Department's own figures, metal theft is set to cause up to 7,000 hours of delay this year. When are the Government going to act?

Norman Baker: The Government have already acted with the measures announced by the Chancellor in his recent statement to appoint the special taskforce to which I referred. As I have mentioned, there are also ministerial discussions taking place across Departments. I assure the hon. Lady that discussions are taking place. Particular proposals are being considered and evaluated and there will be an announcement quite shortly, I hope.

Maria Eagle: The hon. Gentleman is right to recognise the importance of this issue, but passengers want to see action, not just discussion and a taskforce. With passengers facing rail fare rises of up to 11% and given that the

Department calculates that this issue is costing Network Rail more than £16 million every year and a further loss of £10 million in economic cost to passengers and the economy, when will the Government listen to Network Rail, agree to legislate to tackle the illegal market in scrap, and ban cashless transactions?

Norman Baker: Under the 13 years of the hon. Lady's Government nothing much was done to amend the Scrap Metal Dealers Act 1964 and we are now taking action on that front. The issue of cashless payment was referred to by my ministerial colleague the Under-Secretary of State for the Home Department, my hon. Friend the Member for Old Bexley and Sidcup (James Brokenshire), at Home Office questions on 12 December. He said that he was looking at dealing with a situation where cashless payments ought to be removed. As I mentioned a moment ago, discussions are very active—very live—and I hope there will be an announcement in the near future.

Nicky Morgan (Loughborough) (Con): As chairman of the all-party group on heritage rail, may I say that this matter affects heritage railways up and down the country? They often rely on volunteers and charitable donations and I add my voice to those urging quick action on the problem.

Norman Baker: My hon. Friend is absolutely right to draw attention to the impact on heritage rail. With the Bluebell railway partly in my constituency, I am very well aware of the impact on individual bodies such as that, which are sometimes less able to respond financially than the public sector. I am afraid that all sections of society are being affected by selfish metal theft and it is important that we take action to deal with it.

Transport Spending (North-East)

11. **Chi Onwurah** (Newcastle upon Tyne Central) (Lab): What proportion of central Government spending on transport is spent in the north-east. [88232]

The Parliamentary Under-Secretary of State for Transport (Norman Baker): According to the latest figures published by the Treasury, of the £10,380 million spent on transport in the UK directly by central Government in 2010, £293 million was spent in the north-east, which was broadly comparable with expenditure in the preceding years under the Labour Government. An additional £363 million was spent by local authorities, with some of the funding coming from central Government.

Chi Onwurah: The Minister referred earlier to the transport spending announced in the autumn statement, but the Institute for Public Policy Research found that of that only 0.04% was spent in the north-east. The Government will be spending £2,731 per head in London compared with a mere £5 in the north-east, and we know that high-speed rail will not even get as far as Leeds until 2033, so will the Minister look at decentralising transport spending so that the north-east does not continue to be left behind?

Norman Baker: First, we are looking at decentralising transport spending. Secondly, the proportion of expenditure in the north-east is not particularly out of line with the population there. Thirdly, the IPPR report to which the hon. Lady refers is not complete; it did not, for example, include the December announcements on local major projects and did not take into account the further £1 billion from the regional growth fund. It is not a complete analysis.

Sir Alan Beith (Berwick-upon-Tweed) (LD): One way of improving the north-east's share of transport expenditure would be to bring forward schemes to dual dangerous single carriageway sections of the A1 that have already been prepared by the Highways Agency. Will my hon. Friend discuss with his ministerial colleagues the urgency of bringing forward some of those schemes as soon as we can?

Norman Baker: I am happy to say that the discussion has already taken place to some degree. The Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), is looking at those schemes as we speak.

Speed Limits

12. **Mr Greg Knight** (East Yorkshire) (Con): What plans she has for future use of variable speed limits. [88233]

The Parliamentary Under-Secretary of State for Transport (Mike Penning): Mandatory variable speed limits will continue to be used as part of the management of traffic on controlled and managed motorways on the strategic road network. Three schemes will be started this year and there will be a further 10 schemes by the end of 2015.

Mr Knight: I am grateful to the Minister for that reply. We heard calls earlier today for the greater use of 20 mph speed limits, but is the Minister aware that often the danger that justifies a 20 mph limit is transient, such as outside a school, where the danger is present only briefly during the school day—in the morning, at lunch time and in the afternoon? As we already have the lowest speed limits in Europe, will the Minister encourage local authorities to make greater use of variable 20 mph limits so that once the danger has passed the limit will default to 30?

Mike Penning: That is exactly what is being looked at in the Department at the moment. On the motorway network, where variable speed limits help us to sweat the assets, where we can stick to national speed limits we shall continue to do so.

Northern Hub Railway

15. **Eric Ollerenshaw** (Lancaster and Fleetwood) (Con): What progress has been made on the northern hub railway project. [88236]

The Minister of State, Department for Transport (Mrs Theresa Villiers): The Government have given the go-ahead for the construction of the Ordsall chord and the electrification of the north trans-Pennine route between Manchester and York via Leeds. These schemes will allow faster trains between the north-east, Leeds, Manchester and Liverpool. Network Rail is undertaking

further work on the remaining northern hub schemes. We will consider these in developing the Government's high-level output specification for rail investment from 2014 to 2019.

Eric Ollerenshaw: Does my right hon. Friend agree that if we could complete all parts of the scheme it would be a tremendous demonstration of our continued commitment to further investment in the existing rail structure and to further investment in the north-west?

Mrs Villiers: This is exactly the sort of issue that we will consider in preparing our HLOS statement. I recognise the crucial importance for the northern economy of improving rail connections in the north. That is why we have already given the go-ahead to such important parts of the northern hub—earlier than many expected—and we will of course look very carefully at the whole project. It certainly looks to have a good business case, but delivering it will depend on what is affordable.

Topical Questions

T1. [88241] **Gavin Barwell** (Croydon Central) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Transport (Justine Greening): Earlier this week I announced to Parliament my decision on High Speed 2, giving the go-ahead to a national high-speed network that will dramatically increase capacity and reduce journey times between our cities. Over Christmas, negotiations were concluded on a £188 million deal between Southern and Bombardier which will see 130 new carriages ordered from the Derby-based manufacturer. The Minister with responsibility for roads announced a £2.7 million investment in 3D laser-scanning technology. Before Christmas, I announced funding approval for a further 21 local authority major schemes, on top of the 20 schemes announced by the Chancellor in the autumn statement. The total Department for Transport contribution for all 41 schemes will be up to £972 million.

Gavin Barwell: My right hon. Friend referred to the procurement by Southern of more than 130 new carriages. Is that not fantastic news for hard-pressed commuters from my constituency and for Bombardier, its employees and its supply chain?

Justine Greening: I absolutely agree. This is a win for everybody concerned. Southern will deploy the new vehicles on its most overcrowded services, which will be of huge benefit and relief to passengers.

John Woodcock (Barrow and Furness) (Lab/Co-op): Today's excellent report from the Transport Committee highlights the scandal of dodgy whiplash claims that are hiking up insurance premiums for honest motorists. Why, just a couple of months ago, did the right hon. Lady's colleagues reject Labour's amendments to the Legal Aid, Sentencing and Punishment of Offenders Bill which would have curbed whiplash claims? In light of today's report will she reconsider that opposition?

Justine Greening: The hon. Gentleman would be better directing his question to the Ministry of Justice, which leads for the Government in this area. I very much welcome the Select Committee's report and the work of the right hon. Member for Blackburn (Mr Straw) in raising the issue. The Government are already taking action to ban such things as referral fees. I assure the hon. Gentleman that I will work very closely with the Ministry of Justice to see what action we can take on this issue.

T4. [88244] **Nicky Morgan** (Loughborough) (Con): Last month the Department announced funding for a number of road projects, including the Loughborough inner relief road. I thank the Secretary of State for that decision, for which we have been waiting 40 years. Does she agree that road infrastructure is critical for the regeneration of towns and cities such as Loughborough?

Justine Greening: I absolutely agree. The investment that we have been able to put into Loughborough will make a critical difference to Loughborough, not least in helping to regenerate the town centre, improving public transport access and reliability and, importantly, improving accessibility for pedestrians, cyclists and people with disabilities.

T2. [88242] **Jim McGovern** (Dundee West) (Lab): I am sure that most hon. Members would agree that for many visitors to any town or city in the UK their first impression, and perhaps their last, will be of the train station. Will the Minister use her good offices to ask ScotRail, Network Rail and Dundee city council to look at improving Dundee's train station?

The Minister of State, Department for Transport (Mrs Theresa Villiers): As the hon. Gentleman has acknowledged, this is a devolved matter over which I have no direct power, but I am happy to raise it with ScotRail and Network Rail if he would find it helpful.

T5. [88245] **David Morris** (Morecambe and Lunesdale) (Con): I congratulate my right hon. Friend the Secretary of State on the announcements on HS2 and the longevity of the railway system in this country. May I press her to find out what steps are being taken to open up access on the west coast main line link so that passengers from Carnforth can get to London?

Justine Greening: As my hon. Friend may be aware, high-speed rail will enable capacity on the west coast main line to double, and Network Rail is now able to review the ability to use that released capacity to provide better services for constituencies across the country, hopefully including his own.

T3. [88243] **Graeme Morrice** (Livingston) (Lab): The Secretary of State will be aware that many of the rail enhancement projects in Scotland, including the Edinburgh Glasgow improvement programme and Borders Rail, are being funded by borrowing against the value of Network Rail's regulatory asset base, which is of course a Great Britain-wide asset. Does she agree that those projects and many in the future would not happen in a separate Scotland, given that there would be no GB assets to borrow against?

Justine Greening: That is one of many questions of this nature that a push towards an independent Scotland would raise. The hon. Gentleman is absolutely right to raise his concerns about the destabilising impact that

independence would have, where none of the benefits hoped for by those who want independence would be realised, but many of the downsides would absolutely come to fruition.

T8. [88248] **Fiona Bruce** (Congleton) (Con): Road crashes are the biggest single killer of young people aged between 17 and 25 in this country today. Will the Minister join me in congratulating Cheshire safer roads partnership's "Think, Drive, Survive" scheme, which brings officers into schools to teach young drivers about better road safety? What more can the Government do in this respect?

The Parliamentary Under-Secretary of State for Transport (Mike Penning): I am sure that my hon. Friend is aware that I have done that excellent scheme in Cheshire and have the certificate on the wall in my office. One of the things we can do is ensure that the test taken before someone is given a driving licence is fit for purpose and that it is not simply a case of passing a test, but of giving the skills everyone needs, particularly young people, to be able to drive and enjoy the road safely.

T6. [88246] **Julie Hilling** (Bolton West) (Lab): Driver fatigue and sleepiness is a major cause of road accidents, and it is estimated that one in six lorry drivers suffers from sleep apnoea. Does the Minister have any plans to increase health checks on lorry drivers to diagnose sleep apnoea?

Mike Penning: This is a condition that I have known about for many years, as I used to be a heavy goods vehicle driver, and it is something I am looking at now. The hon. Lady has met me and knows that we are working on this. I look forward to bringing forward proposals so that we can ensure that an industry that is already very safe is even safer in future.

Duncan Hames (Chippenham) (LD): Chippenham station lacks disabled access, in large part due to restrictions on modifying buildings and structures considered to be historically important—I wonder what Brunel would think of that. Does the Minister agree that such heritage concerns ought to be applied proportionately so as not to frustrate either access to the railway or, indeed, impose an unreasonable financial burden on achieving it?

The Parliamentary Under-Secretary of State for Transport (Norman Baker): I agree with that proposition. One of the problems is that the Victorian infrastructure, which is marvellous in many ways, was not built with the needs of present-day communities in mind. The full Access for All programme is continuing, and I think that it should be possible in most cases to improve access while respecting the integrity of such buildings.

T7. [88247] **Derek Twigg** (Halton) (Lab): All parties support the proposed new Mersey Gateway crossing, but there is concern that local people will have to pay a toll to cross the bridges. I believe that they should continue to pay nothing. My big concern is that the deal that the Government have offered Halton borough council means that they will take 70% of any excess revenue from procurement savings and 85% of any excess toll revenue, which will leave the council little room for manoeuvre to discount local tolls. Will the Secretary of State please look at this again?

Justine Greening: I think that the deal we struck with the hon. Gentleman's local council is the right one, and one that it signed up to. It enables it to get on with the new crossing, which will provide welcome extra capacity for many people in the area.

Elizabeth Truss (South West Norfolk) (Con): The A47 is a vital strategic route from east to west, but in many places it is still single carriageway. Does the Minister agree that it needs to be upgraded to a national strategic route, as it was before the previous Government downgraded it?

Mike Penning: I am very aware of the significance of that road. This is something we are looking at and will continue to look at as we develop plans for future road improvements.

T9. [88249] **Cathy Jamieson** (Kilmarnock and Loudoun) (Lab/Co-op): I continue to receive representations from constituents regarding the Government's plans for MOT tests. What assurances can I give them that concerns about safety have been taken into account, and what plans has the Secretary of State to update us?

Justine Greening: I will be announcing the next steps on those plans very shortly and can absolutely assure the hon. Lady that, as with any decisions I take, safety is of paramount consideration.

Mr Philip Hollobone (Kettering) (Con): May I thank the roads Minister for his interest in and commitment to the £110 million expansion of the A14 around Kettering, and, given its proximity to the town of Kettering itself, urge him to include as many noise reduction measures as he can when the scheme is constructed?

Mike Penning: I had a fantastic visit to Kettering and looked at the roads programme that is going to be developed, as well as at the town centre redevelopment, which is a huge success. We will ensure that noise reduction is part of the plan, so that the local community benefits from the new road and is not encumbered by it.

T10. [88250] **Kerry McCarthy** (Bristol East) (Lab): In Bristol, the city council is being forced to make savings of £2 million, directly affecting its subsidy to First Bus. Routes are being cancelled, operating times are being cut and fares, which are already far too high, are still rising. What efforts are Ministers making to ensure that local bus routes remain operational and affordable?

Norman Baker: I had thought that the hon. Lady might have written to congratulate the Government on the major investment programme in Bristol which we announced at the end of last year, with a number of schemes going ahead. She might have written to congratulate the Government also on the new "better bus area" programme, which includes an extra £50 million for buses, £20 million for more green buses and more

money for community transport. So there is a lot of money going into buses, and we are doing a great deal to protect bus passengers and to improve bus services.

Amber Rudd (Hastings and Rye) (Con): I know that the Minister is aware of the importance to economic growth of the Hastings to Bexhill link road, which he is now considering. Is he also aware of the enormous lengths that its promoters have gone to in order to mitigate environmental concerns, including the proposed building of dedicated tunnels for dormice that might have to cross the road?

Justine Greening: I was not aware of the proposals relating to dormice, although I very much welcome them. I have had many representations from people in that region about the importance of the scheme. We are considering them very carefully now, and I hope that we can announce our final decision on the scheme shortly.

Margaret Beckett (Derby South) (Lab): Is the Secretary of State aware that, although there is a welcome on both sides of the House and in the city of Derby for her decision on the Southern contract, and indeed hope for her decision on eVoyager, the real touchstone of the Government's approach to rail procurement will be the handling of Crossrail and, in particular, whether its financing is handled as was the Thameslink project? I know she has that in mind, and I hope that she can give us a favourable answer on it today.

Justine Greening: I am very pleased that the right hon. Lady has welcomed the deal that was struck between Southern and Bombardier. I had her in my thoughts on the day of the announcement, because I know how much difference it makes to the city that she represents. I assure her that I take incredibly seriously the negotiating process, ensuring that it is fair for all people involved including bidders such as Bombardier, and I will now work very closely over the next months and years with all people who want to bid for the important Crossrail procurement and ensure that that is fair. We have seen that when Bombardier bids for contracts, as it does, it can be successful.

Alun Cairns (Vale of Glamorgan) (Con): Almost 50 years have passed since the 70 mph maximum speed limit was introduced, and in that time there have been significant advances in motoring technology. When does the Minister expect to announce the outcome of her review of the matter?

Justine Greening: I shall announce it very shortly, and we are absolutely committed to striking the right balance between looking at the important issues that my hon. Friend has just raised and doing what we can to maintain and, indeed, improve motorway safety.

Shabana Mahmood (Birmingham, Ladywood) (Lab): Will the Secretary of State reject the previous Transport Secretary's comments that high-speed rail would be affordable only for business passengers, and will she reassure passengers that the new high-speed line will be both affordable and accessible?

Justine Greening: I want to be absolutely clear: my predecessor was very clear that the new high-speed rail line needed to be a railway that was beneficial to all people, including of course business people who want to use it. The business case works on an assumption of standard rail fares, as we have on the current network, and I am absolutely clear in my mind that the way in which we are going to make high-speed rail successful is by having as many people use it as possible—and that means having value-for-money fares.

WOMEN AND EQUALITIES

The Minister for Women and Equalities was asked—

Tax Credits

1. **Jonathan Ashworth** (Leicester South) (Lab): What assessment she has made of the effect of changes to tax credits on the income of women. [88211]

The Secretary of State for the Home Department and Minister for Women and Equalities (Mrs Theresa May): We have had to take tough decisions to protect the economy. The UK has an unprecedented budget deficit, and spending on tax credits has become unsustainable. The savings from changes announced in the autumn statement allow us to take further steps to protect the most vulnerable, including significant increases in child care support to help women and families to get back into work.

Jonathan Ashworth: The Secretary of State will be aware that the median income of households with children is set to fall in real terms, so does she think it fair that a family with children are set to lose £1,250 annually, whereas a family with no children are set to lose £215?

Mrs May: We are aware that things are difficult for families. That is why the Government are taking a number of steps to help families, such as cutting fuel duty, freezing council tax and taking more than 1 million people out of paying income tax altogether, more than half of whom will be women.

Gloria De Piero (Ashfield) (Lab): On protecting women's income, what safeguards are in place to ensure that charging people to use the Child Support Agency does not push mums who cannot afford to pay into further hardship?

Mrs May: I have had a number of conversations with the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Basingstoke (Maria Miller) on the arrangements for access to the Child Support Agency. I am happy to say that the Department for Work and Pensions has put arrangements in place that, I believe, will make access affordable for women. We are taking steps to ensure that, in particular, women who have been subject to domestic violence are catered for.

Dieting

2. **Jo Swinson** (East Dunbartonshire) (LD): What discussions she has had with ministerial colleagues on the effect of dieting on the health of women. [88212]

The Minister for Equalities (Lynne Featherstone): I meet ministerial colleagues regularly to discuss a range of issues, including health, dieting and the body confidence campaign. Being at a healthy weight is important in

helping people to reduce the risk of serious illness. The Government are committed to helping people to reach and stay at a healthy weight.

Jo Swinson: It is January, which means that adverts in women's magazines everywhere are promoting diets and miracle weight-loss plans. The inquiry of the all-party parliamentary group on body image has heard evidence from the Royal College of Psychiatrists that not only do 90% of diets not work, but that for people who are susceptible, dieting can trigger eating disorders. How can the Government successfully promote fitness and healthy eating patterns against the onslaught of bad advice to skip meals, cut out food groups and obsess over every calorie, with all the negative health consequences that that creates?

Lynne Featherstone: I congratulate my hon. Friend on the work that she and the APPG do on body image issues. It is important that the link between dieting and eating disorders is looked at closely. She rightly mentions that 95% of diets fail. As a Government, we believe that a diet is not just for Christmas but must be about one's lifestyle. The best advice is common sense. It is to eat healthily all year round and take appropriate amounts of exercise.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): Dieting and calorie counting can be positive as well as negative, as has just been pointed out. A positive development might be to have calorific information on alcoholic drinks as well as the unit count. Have the Government given any consideration to that?

Lynne Featherstone: The hon. Gentleman raises an interesting point and I will take it up with the appropriate Minister.

Mr Philip Hollobone (Kettering) (Con): Given the beneficial effects of breastfeeding on weight loss and on the baby's health, and that Britain has one of the lowest breastfeeding rates of any country in Europe, what work is the Minister doing with the Department of Health to encourage women to breastfeed their babies?

Lynne Featherstone: The issues around breastfeeding are very sensitive. We have to find the balance between raising the benefits that breastfeeding can bring and not making people who feel that they cannot breastfeed feel bad about it. The hon. Gentleman raises two important points about weight loss and what is best for babies. It also has benefits in relation to allergies. I work with the Department of Health on all these issues.

Diana Johnson (Kingston upon Hull North) (Lab): It has long been a Liberal Democrat policy to make personal, social and health education compulsory in schools. That could include body image classes. Does the Minister regret that the coalition Government have set their face against making PSHE compulsory?

Lynne Featherstone: The Government are reviewing PSHE. The hon. Lady is absolutely right about body confidence. The Media Smart programme for schools is voluntary, but it has had the greatest ever number of downloads of any such programme. We should also use the big society and have other groups going into schools. Not everything should rest on teachers' shoulders.

Violence Against Disabled People

3. **Dame Anne Begg** (Aberdeen South) (Lab): What assessment she has made of the effect of Government policies on efforts to tackle violence against disabled people. [88213]

The Parliamentary Under-Secretary of State for Work and Pensions (Maria Miller): The Government take seriously tackling hate crime against disabled people, and violence in particular. We are meeting the coalition commitment to improve the recording of such crimes and working with voluntary sector partners to encourage more victims to come forward.

Dame Anne Begg: Disabled people report an increase in the use of insults such as "scroungers" and "cheats" aimed at them, which reflects the language used by many media outlets when reporting the Government's own welfare reform. What action will the Minister take to stop the Government adding to the perception that anyone on benefit is fleecing the system and is an acceptable target for such verbal attacks?

Maria Miller: I thank the hon. Lady for her question, because I agree that the use of such inflammatory language is not acceptable, and the Government will not use it at all. We believe strongly that it is the system that has trapped disabled people in a spiral of welfare dependency, and that is why the overhaul of the benefits system is such a priority. I hope that we can rely on her support for our work in that area.

Tom Brake (Carshalton and Wallington) (LD): May I ask the Minister to examine MAMA—"Measuring Anti-Muslim Attacks"—which is a new system for reporting hate crime against Muslims, to see whether its use would be appropriate in relation to the reporting of hate crimes against people with disabilities as well?

Maria Miller: I am sure that we can learn a great deal from many different areas about how to improve the recording of hate crime, which is still a work in progress. My right hon. Friend will be aware of the work that we are doing with organisations such as Radar to increase third-party reporting of hate crime, but I will certainly take up his suggestion.

Yvette Cooper (Normanton, Pontefract and Castleford) (Lab): I know that the Minister is deeply concerned about violence against disabled people, and she will be concerned by the point that my hon. Friend the Member for Aberdeen South (Dame Anne Begg) raised about reports of increasing threats of violence against disabled people. She will be concerned also about the fear of many disabled groups that that is being fuelled by the tone of some of the Government's remarks and their approach. There is a fear that certain elements of the Welfare Reform Bill, for example, have crossed a basic line of decency. In that light, will the Minister look again at the measures that the Lords voted on yesterday, and particularly at the Government's proposal to deny young people who have been disabled since birth and who cannot work the chance of getting contributory employment and support allowance?

Maria Miller: I thank the right hon. Lady for bringing up this issue. She is absolutely right that it is important that discussion of the Welfare Reform Bill is undertaken in an appropriate manner, although I think she is wrong in believing that the measures that we have put in the Bill are in any way adding to the problem. If we did not make the changes that are included in the Bill, which were voted on in the other place yesterday, where does she anticipate that we would make the substantial necessary savings?

Women in the Economy

4. **Nadine Dorries** (Mid Bedfordshire) (Con): What steps she is taking to increase the role of women in the economy. [88214]

The Secretary of State for the Home Department and Minister for Women and Equalities (Mrs Theresa May): Using the skills and qualifications of women who are currently out of work would deliver economic benefits of £15 billion to £20 billion a year for the UK. The actions that we are taking, for example through the Work programme and our support for women's enterprise, will ensure that that untapped potential can be used to stimulate economic growth.

Nadine Dorries: A year on from Lord Davies of Abersoch's report on the number of women in boardrooms, minimal progress has been made. It seems amazing that men who can run boardrooms, businesses and banks so effectively are unable to introduce policies of fairness and equality. What further does the Minister think can be done to encourage organic change within businesses, banks and boardrooms and avoid a demeaning and degrading measure of quotas and shortlists?

Mrs May: I thank my hon. Friend for making the point that the best way to get change is not to impose a quota on a country but to encourage people to recognise the talents that exist within their companies. *[Interruption.]* The hon. Member for Slough (Fiona Mactaggart) asks what is happening, and I am about to answer that, because it was one of the issues that my hon. Friend the Member for Mid Bedfordshire (Nadine Dorries) raised. Since 1 March last year, 27% of board appointments to FTSE 100 companies have been female, and we are now down to only 10 all-male boards in the FTSE 100. Progress is being made as a result of Lord Davies's report, but of course we continue to monitor the matter and will continue to work with companies to encourage them to use the talent available from the women who are in those companies and can be appointed to their boards.

Mrs Jenny Chapman (Darlington) (Lab): Does the Minister agree with the independent report published by the Institute for Fiscal Studies last week, which shows that on average, the Government's decisions weaken the incentive for those with children to undertake paid work?

Mrs May: What I would say to the hon. Lady is that the Government are already taking steps to ensure that we can help women into the workplace, particularly in the Work programme and the work that we will be doing through business mentors to help women who wish to set up their own businesses. The most important thing that will in due course help to ensure that women can get into the workplace, by making work pay, is the introduction of the universal credit.

Fiona Bruce (Congleton) (Con): At the recent north-west women's enterprise day in my constituency, 200 inspiring women who had started up their own businesses or were about to were given an excellent range of advice. What can be done to roll out that kind of scheme across the country, and in particular to encourage women to take the critical step from not just working in their businesses, but employing others and creating jobs?

Mrs May: I commend the women's enterprise action that was taken in the north-west. That is a very good example of what can be done at local and regional level to ensure that we encourage women to use their full potential in the economy, which is to their benefit and that of the UK as a whole. Our introduction of business mentors is one thing that will help women not only to set up businesses, but to grow them in a way that will lead to them becoming employers.

Domestic Violence

5. **Mr Iain McKenzie** (Inverclyde) (Lab): What assessment she has made of the effect of Government policies on efforts to tackle domestic violence against women. [88215]

The Minister for Equalities (Lynne Featherstone): A progress review of the Government's approach to tackling violence against women and girls was published on 25 November. It highlighted many of our achievements to date in relation to domestic violence, including, among many other measures: providing £3.3 million funding for multi-agency risk assessment conference co-ordinator and independent domestic violence adviser posts locally until 2015; introducing a requirement for multi-agency reviews after every domestic homicide; and piloting domestic violence protection orders in three police force areas.

Mr McKenzie: I recently visited a Women's Aid project in my constituency. Is the Minister aware of the crisis in accommodation for women fleeing violence? Such projects have been left with little choice but to advise vulnerable women on how to minimise harm if they are forced to sleep on the streets.

Lynne Featherstone: I understand, with all that is going on in this age of austerity—there is not enough money to fund everything—that there are issues around some of the funding for women, but the Home Secretary and I could not have been clearer about the priority that the Government place on tackling violence against women, by ring-fencing £28 million of funding and by sending a loud and clear message to local authorities that they should not look for soft targets.

Mary Macleod (Brentford and Isleworth) (Con): Does the Minister agree that it is important to give priority for council housing to women who have suffered domestic violence? Will she work with the Housing and Local Government Minister to encourage councils to give them top priority?

Lynne Featherstone: I thank my hon. Friend, who raises an important point. If there is nowhere for a victim of domestic violence to go, post coming out of a refuge, we are not solving any of the problems. I am happy to do as she suggests.

Kate Green (Stretford and Urmston) (Lab): Safe, secure accommodation is essential, as the Minister knows, for women fleeing domestic violence, and she must be aware of the concerns of providers of refuge accommodation such as Women's Aid, which has talked of chaos in commissioning and its anxiety about the removal of the ring fence on the Supporting People grant, which means that refuges face cuts in funding of as much as 50%. Does she share my concern that the Government's proposal to remove the support element from housing benefit payments and transfer the money to local authorities without protecting it for housing support is another nail in the coffin of a nationally funded network of refuges for women?

Lynne Featherstone: I would point out to the hon. Lady that the ring fence around the Supporting People budget was removed under the Labour Government, and that that £6.5 million budget has been cut by only 1%. If local authorities are not using it appropriately, I suggests she takes the matter up with them.

Lorely Burt (Solihull) (LD): What action are the coalition Government taking to help victims of domestic violence who come here on spousal visas? They desperately need help but have no money and no recourse to public funds.

Lynne Featherstone: I thank my hon. Friend for that question. People who come on spousal visas—they are generally but not exclusively women—are left in a very vulnerable situation when they find themselves victims of domestic violence. The previous Government began the Sojourner project, which provided some breathing space for those women. We have continued and extended that project pending a long-term solution, which we are working on with the Department for Work and Pensions—*[Interruption.]* Mr Speaker, are you coughing at me? *[Laughter.]* I think I'll quit while I'm ahead.

Mr Speaker: I have never coughed at the hon. Lady, and I was not intending to start, but I am grateful for her compassionate concern for the state of my health. If she had wanted to finish the answer, she could, but she doesn't, so she won't.

Business of the House

11.34 am

Ms Angela Eagle (Wallasey) (Lab): Will the Leader of the House please give us the business for next week?

The Leader of the House of Commons (Sir George Young): The business for next week is as follows:

MONDAY 16 JANUARY—Opposition day [un-allotted day]. There will be a debate on individual voter registration, followed by a debate on the national health service. These debates will arise on an Opposition motion.

TUESDAY 17 JANUARY—General debate on the future of town centres and high streets. The subject for this debate has been nominated by the Backbench Business Committee.

WEDNESDAY 18 JANUARY—Consideration in Committee of the Local Government Finance Bill (day 1).

THURSDAY 19 JANUARY—Motion to approve European documents relating to integrated EU infrastructures, followed by motion on public bodies—scrutiny of draft orders—followed by continuation of debate on national policy statements relating to ports.

FRIDAY 20 JANUARY—Private Members' Bills.

The provisional business for the week commencing 23 January will include:

MONDAY 23 JANUARY—Opposition day [un-allotted day]. There will be a debate on an Opposition motion. Subject to be announced.

TUESDAY 24 JANUARY—Continuation of consideration in Committee of the Local Government Finance Bill (day 2).

WEDNESDAY 25 JANUARY—Motion to approve a European document relating to EU criminal policy, followed by: the Chairman of Ways and Means will name opposed private business for consideration.

THURSDAY 26 JANUARY—Business to be nominated by the Backbench Business Committee.

I should also like to inform the House that the business in Westminster Hall for 19 and 26 January 2012 will be:

THURSDAY 19 JANUARY—Debate to mark Holocaust Memorial Day 2012.

THURSDAY 26 JANUARY—Debate on the Culture, Media and Sport Committee report on football governance.

Ms Eagle: I thank the Leader of the House for that explanation of the packed legislative programme that he has brought to the House of Commons for the start of the new year. I notice that he has not announced the date for the Queen's Speech, despite the fact that Paul Waugh of PoliticsHome announced it on his blog last week. We wait to hear some time in the future whether he was accurate.

We learned this week that the Committee stage of the Local Government Finance Bill is being taken on the Floor of the House—virtually the only Government business to be taken on the Floor in the next couple of weeks. The House of Commons Library has confirmed that over the past 30 years, only five local government Bills have been treated in this way: the 1984 and 1985 Bills that abolished the Greater London council; the 1987 Bill on block grants and rate limitation; the 1991 Bill on rate capping; and the 1999 Labour Bill that finally restored democratic government to London. Will the Leader of the House explain what in this local government Bill requires it to have its entire Committee stage on the Floor of the House? The Government are obviously struggling to fill the Commons calendar, so in the spirit of new year bonhomie, and wanting to help the right hon. Gentleman, may I ask him whether he could make time for a debate on the Government's mishandling of their legislative programme?

On fat cat salaries, the Prime Minister, in his new year tour of the TV studios, announced that shareholder votes on executive pay would now be binding. However, in November he announced that his idea to address exorbitant boardroom pay was to appoint more women to boards, and in October he told us that the solution was boards asking themselves, "Is this the right thing to do?" Over the past year we have had plenty of press releases from No. 10, but FTSE 100 bosses have put their own salaries up by a staggering 49%, while average earnings have gone up by just 1.4%. To prevent the Prime Minister from touring the TV studios once a month with the latest wheeze, will the Leader of the House explain to him that if he is serious about dealing with fat cat salaries we need action, not more press releases? When will we get it?

Perhaps the Leader of the House could also have a word with the Chancellor and inquire when we can expect a response from the Treasury to Will Hutton's report on fair pay in the public sector. In June 2010 the Chancellor announced—in yet another press release—that this was an "important review" and that it would play a "crucial role" in developing Government policy. Will the Leader of the House enlighten us as to what has happened since the report was published 10 months ago?

Given the defeat that the Government suffered last night on their shocking plans to deny benefit to cancer sufferers, will the Leader of the House join me in congratulating the tiny band of Liberal Democrats who joined Labour and the "Cross Benchers" in standing up for decency and fairness? Rather than using parliamentary time in this place to reverse the three votes that the Government lost last night, may we instead have a debate on fairness, to remind the Liberal Democrats why they claim they came into politics in the first place?

The Leader of the House will understand the concern over the safety of PIP implants. The Secretary of State for Health announced yesterday a "rapid review" of the safety of people seeking cosmetic interventions. Can the Leader of the House confirm when the review will conclude, and will he assure us that the Health Secretary will make a statement to the House when it does?

The House is growing weary of rapid reviews being announced by press release. Last November, the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper) promised that the Government would publish by the "end of the month" proposals to clamp down on the access that lobbyists have to the Government. Since then we have had Mr Collins of Bell Pottinger boasting of the access to those at the top of Government that he can arrange for his clients, and now Mr O'Shaughnessy, one of the Prime Minister's top aides, has signed up to another lobbying firm. What we have not had is the promised consultation. The last time the Leader of the House was asked about this, at

[Ms Angela Eagle]

the beginning of December, he told the House that the Government would publish proposals "in a few weeks". Given that the consultation is now long overdue, will the Cabinet Office Minister return to the House to explain what has gone wrong? While he is at it, will he also explain the Government's policy on freedom of information?

Before Christmas the Information Commissioner launched his first ever probe into a Government Department, because the Education Secretary and his advisers were communicating using the Education Secretary's wife's e-mail account. Given that the Secretary of State announced this week—not to the House—a new policy on information technology lessons in schools, perhaps the Leader of the House could arrange for his colleague to have some IT lessons himself, so that if he wants to communicate secretly with his advisers he can set up his own e-mail account, and will not need to use his wife's.

Finally, Mr Speaker, may I wish you and all Members a happy new year? Will the Leader of the House join me in urging all Ministers to adopt a new year's resolution to make announcements to this House first? After all, the ministerial code requires them to do so.

Sir George Young: I begin by echoing the hon. Lady's good wishes to you, Mr Speaker, and to the House, for a happy new year. She began in a traditional way by asking about the Queen's Speech. I am delighted that she is looking forward to the next one, which will be packed with legislative reform from the coalition Government, and I hope that she will warmly welcome it when it arrives. She will have to contain herself for a little longer, however. The date of the Queen's Speech will be announced in due course in the usual way. In the meantime, I have given hon. Members some certainty about the House's sittings: I have announced them up to October this year. By contrast, my predecessor gave the House two weeks' notice of the Easter recess in March 2010. The House now has a degree of certainty about when we shall meet, and hon. Members can plan their work-life balance accordingly.

On Parliament's work programme, I hope that the hon. Lady is not going to denigrate the work that the House is doing. This week we had two statements on Tuesday, on the referendum in Scotland and on High Speed 2. We had a statement yesterday on breast implants, as well as two Opposition day debates; I hope that she is not going to say that those were not worth having. Later today we shall have two important debates arranged by the Backbench Business Committee. As I have said before, this place is not a legislative factory. We are not going to make the mistake that the previous Government made of introducing too much ill-considered legislation.

The hon. Lady asked why we were having the Committee stage of the Local Government Finance Bill on the Floor of the House. I have in front of me a list of 18 non-constitutional Bills that went to a Committee of the whole House between 1997 and 2010, so let us not have any nonsense about this being unprecedented.

Let me give just one example of what the previous Government did. The Digital Economy Act 2010—50 clauses and three schedules—was rushed through the House during wash-up, without consensus, on the Floor of the House. Here we have a 10-clause Bill with three schedules and we are allowing three days for Committee. I hope the House will support what we are doing, as more than 600 experts on local government will be at hand here and able to take part in the Bill's proceedings.

On executive pay, let me remind the Opposition that they did nothing about it for 13 years. By contrast, we consulted and we will set out in our response the action we will take to tackle irresponsible directors—something Labour did not do—and we are going to require greater transparency for directors' pay and salary. We shall give shareholders a greater say through binding votes, and allow them to block unjustified pay-offs for failure. An announcement will be made in due course by the Secretary of State for Business, Innovation and Skills. I will, of course, pursue the matter of fair pay and the Government's response with the Chancellor, and find out the date of the response for which the hon. Lady asked.

There will, of course, be an opportunity for the Government to consider in this House yesterday's votes on the Welfare Reform Bill in the other place. I make the simple point that if we do not reverse those amendments we will need to make savings from other areas. Of course the Government will look carefully at what has happened in the other place. It is worth making the point that the amendments that were carried would not have affected the position of those in the support group—the most vulnerable—whose entitlement to benefit would remain unaffected. Nor would the Government's proposals have affected those on means-tested benefits. It is a question of getting the balance right on the extent to which applicants draw on their own resources or on the resources of taxpayers. Let me remind the hon. Lady of what the Leader of the Opposition said in his speech of 10 January:

"in these times, with less money, spending more on one thing means finding the money from somewhere else. When someone wins, someone else loses."

She might like to remember that when we come to debate those amendments.

On yesterday's statements by my right hon. Friend the Secretary of State for Health, he announced three reviews in connection with what went wrong with the breast implants, and I know he will want to keep the House informed as those reviews make progress.

I am surprised that the hon. Lady raised the issue of lobbying. For 13 years the Labour Government did nothing about lobbying, yet she now criticises us for taking time to come up with the paper on our proposals. The consultation document will be published shortly, and there was no breach of the Advisory Committee on Business Appointments rules by Mr James O'Shaughnessy.

Finally, I have announced an Opposition day on Monday, and I wonder whether the Opposition are going to compound the confusion they caused with their last one. On Tuesday their leader talked about responsibility regarding the deficit, but just hours later the Opposition voted against our modest measures for sorting out the mess in local government finance. On the very next day they tabled two motions that, far from reducing the deficit, would have increased it. They opposed every cut and promised to spend an extra £87 billion that we do not have, and they were in denial about the mess they created when they were in government. I wonder whether the time has not now come for another relaunch by the Opposition.

Several hon. Members *rose—*

Mr Speaker: Order. A large number of colleagues are seeking to catch my eye, and I am keen to accommodate them. I remind the House, however, that two important debates are to take place under the auspices of the Backbench Business Committee, so it is imperative to have brief questions and characteristically brief answers from the Leader of the House. I am sure that a Member who has served for 28 years will set us a good example: I call Mr David Amess.

Mr David Amess (Southend West) (Con): Paul Gilson, a local fisherman, was recently fined £400,000 for bureaucratic mistakes in relation to his catch. Will the Leader of the House allow us a debate on the issues surrounding quotas for small fishing vessels?

Sir George Young: I understand my hon. Friend's constituent's concern about what happened. As my hon. Friend will understand, it would not be appropriate for me to comment on a particular case. I imagine that, as with all decisions of a court, this man will have an opportunity to appeal against what happened. As I understand it, the confiscation orders are simply designed to put anyone who has profited from an illegal catch back into the position in which he or she would otherwise have been; they are not intended to be a punishment. I hope my hon. Friend will understand the constraints on Ministers when it comes to commenting on individual cases.

Mr David Winnick (Walsall North) (Lab): Would it not be more appropriate for Ministers to give serious consideration to the amendments that were carried yesterday in the House of Lords? Perhaps we could have a statement before the normal parliamentary procedure becomes involved. Does the Leader of the House not agree that to take action against cancer, bone and stroke patients is totally unacceptable? Indeed, it is sick. I heard the Minister of State, Department for Work and Pensions, the right hon. Member for Epsom and Ewell (Chris Grayling) on the radio today trying to justify what has occurred, but I hope that the Cabinet will give further consideration to the matter. What has been agreed to by the House of Lords should be agreed to by the Government.

Sir George Young: As I said to the hon. Member for Wallasey (Ms Eagle), the Government will give serious consideration to the votes that took place in the other place yesterday. We have asked Professor Harrington to work with Macmillan to ensure that the work-related assessments are appropriate, although it should be borne in mind that the worst cancer cases would be in support groups and would therefore not be affected. Government amendments tabled to the Bill yesterday would have protected those whose condition subsequently deteriorated. Of course we will consider the matter seriously, but as I have said, if we do not make savings by means of that part of the Bill, we may have to seek compensatory savings elsewhere.

Mr Edward Leigh (Gainsborough) (Con): Although it is good that there is less legislation pouring through the House of Commons, we still do not have enough time to debate issues on great occasions. For instance, before the Prime Minister went off to the last European summit, all that we had was a little debate in Westminster Hall—which, admittedly, served its purpose in a way. Can the Leader of the House confirm that before the next European summit there will be a proper debate on the Floor of the House, as happens in other Parliaments, so that the Prime Minister can gauge opinion in the Chamber about his negotiating tactics?

Sir George Young: I understand my hon. Friend's concern, but he will know that as a result of the recommendations of the Wright Committee, the time that the Government had in which to arrange such debates has been transferred to the Backbench Business Committee, as has responsibility for finding time for them, and the other debates for which the Government used to find time. It is to that Committee that my hon. Friend and others should apply, because it now has the time that the Government used to have.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): Is the Leader of the House aware of a growing tendency for Departments to give insubstantial answers to parliamentary questions in order to conform with the time scale? For instance, between 27 May 2010 and 9 March 2011, 53% of answers given by the Department for Transport were non-substantive, as were 41% of those given by the Ministry of Defence and 67% of those given by the Home Office. The failure to give real answers is a continuing problem, and I hope that the Leader of the House will take it up with Departments in order to ensure that Members receive proper responses to their questions.

Sir George Young: The hon. Lady is right: the House is entitled to prompt and informative answers from Ministers in response to written questions. I do not know whether she had an opportunity to raise the issue during the Transport questions session that has just ended, but, as Leader of the House, I do take steps to ensure that my colleagues answer questions promptly. I believe I am right in saying that we publish statistics each year on the performance of Departments, and I am always prepared to take up specific cases on behalf of Members.

Miss Anne McIntosh (Thirsk and Malton) (Con): The Leader of the House has just announced that the first draft orders resulting from the Public Bodies Act 2011 will be considered next week. You will recall, Mr Speaker, the exchange that we had on a point of order relating to this matter before the House rose for the Christmas recess. Is the Leader of the House now able to confirm that the Select Committees concerned will be given notice before the orders are laid on the Floor of the House, and that a full 60 days will be allowed for consideration of each order by each Select Committee? Will he also make good the promise of a draft water Bill before prorogation?

Sir George Young: I will pass on the last question, because I am not conscious of having personally given such a commitment. As for the serious issues raised by my hon. Friend in connection with the Public Bodies Act, I hope that the Deputy Leader of the House—who, I believe, will be handling the debate next Thursday—will be able to respond to them, and to inform her of the progress that we are making in moving to a new regime for consideration of the draft orders that follow from the legislation.

Mark Durkan (Foyle) (SDLP): The Leader of the House may not want the Chamber to be seen as a "legislative factory", but nor should it be seen as just a political wii game in which many points are scored but nothing substantial is achieved. Once the session of keepy-uppy in which the Chamber is currently engaged has ended, will it be able to give commensurate consideration to the important issues in the Welfare Reform Bill that are being subjected to serious deliberation and amendment in the other place?

Sir George Young: I hope the hon. Gentleman will accept that the coalition Government have sought to be more generous than the last Government in allocating time for their programme to be dealt with on the Floor of the House. We have allowed two, and in one case three, days for the Report stages of important Bills, and we intend to maintain our good record of giving the House adequate time in which to consider legislation. That commitment also extends to important amendments that have been passed in another place.

Sir Roger Gale (North Thanet) (Con): I personally welcome the fact that, unlike their predecessor, the present Government are providing the House with adequate time in which to scrutinise legislation properly. More is not necessarily better.

No doubt my right hon. Friend, as an early riser, listens to "Farming Today", and will therefore know that a significant number of Europe-wide farm animal welfare issues are the responsibility of Ministers in the House of Commons. Will he find Government time for a general debate on those issues in the Chamber, so that they too can be considered properly?

Sir George Young: My hon. Friend will have heard me announce two debates on Europe-related matters on the Floor of the House arising from consideration by the European Scrutiny Committee. I will take his suggestion on board, but he may wish to ask the Backbench Business Committee for a more general debate.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): At the beginning of this month the Government's new web application system for the blue badge came on line. Ministers said that it would save money and lead to easier renewals, but it has been riddled with technical problems. Applications have been delayed or sent to the wrong place, which has caused chaos and backlogs, and councils have been unable to deal with the problem because the system is under the auspices of an IT contractor for which the Department for Transport is responsible. May we have a urgent statement from the Government on what they are doing to sort out this mess—which has been caused by their own mismanagement—so that those who need blue badges can secure them as soon as possible?

Sir George Young: The hon. Lady may have had an opportunity to raise precisely that issue with my right hon. Friend the Secretary of State for Transport during Transport questions earlier. *[Interruption.]* As she was unable to do so, however, I will raise it with my right hon. Friend, and will ensure that I obtain a response. It is in everyone's interest for those who are entitled to blue badges to be able to gain access to them without too much hassle.

Mr Peter Bone (Wellingborough) (Con): A seven-year-old boy in my constituency called Zac has a very rare cancer called neuroblastoma. As a result of help from the former Labour Health Minister Ann Keen and my local primary care trust, treatment became available in Germany and was paid for by the NHS. Recently Zac needed another life-saving operation. It was decided that the operation should be carried out by the NHS in this country, but unfortunately it was cancelled twice. In desperation, Zac's mother took him to Germany, where he had the operation yesterday. May we have a statement from the Secretary of State for Health next week, telling us what went wrong in this country and whether the parents' costs will be reimbursed?

Sir George Young: I am sure the whole House hopes that Zac makes a good recovery from the operation that took place yesterday, and I will raise the matter with my right hon. Friend the Secretary of State for Health. As my hon. Friend knows, we have made more resources available to the NHS year on year, and responsibility for funding the costs of transport from this country to Germany would normally lie with the local primary care trust. However, I will try to establish whether my right hon. Friend the Secretary of State can play a role in ensuring that the parents can maintain suitable contact with their son.

Michael Connarty (Linlithgow and East Falkirk) (Lab): I wish to ask the Leader of the House a question about his own remit. When Labour was in power and I was chairing the European Scrutiny Committee, he seemed to support the idea of reinstating permanent membership of the General Committees that debate EU issues sent to them by the European Scrutiny Committee. I have asked him several times—and the hon. Member for Stone (Mr Cash) has supported my request through the Committee—for the matter to be brought before the House. He has had plenty of time to arrange it, and there is plenty of room in the timetable. When will permanent membership be reinstated, so that people can learn properly about European business in General Committees?

Sir George Young: I commend the hon. Gentleman's work on that issue. I would like to pursue the discussion through the usual channels, and then come back to him.

Lorely Burt (Solihull) (LD): Given the increasing number of schools offering A-levels, there is an increasing anomaly with VAT, in that schools do not pay it but sixth-form colleges do. The Treasury has rejected requests from the Sixth Form Colleges Forum and others to rectify that. With VAT standing at 20%, may we have a debate to explore ways to equalise the situation and be fairer to sixth-form colleges?

Sir George Young: I understand my hon. Friend's concern. There will be an opportunity on Monday to raise this issue with the Secretary of State for Education. For now, I think the appropriate answer to my hon. Friend is that the Chancellor of the Exchequer is in the process of drawing up his Budget, the date of which has been announced, and I will take her request as a bid for him to consider that matter as part of his broader Budget considerations.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): May I remind the Leader of the House that in this year of the jubilee and the Olympics there are diverse regions in our country, and many people in Yorkshire and Humber and the north-east and north-west get the feeling that everything is happening either in London and the south-east or in Scotland? Is it not about time that we looked at the Cinderella regions that get less investment, less focus and, now, less leadership?

Sir George Young: Many parts of the country are benefiting from the construction work on the Olympic stadium in London; the benefits go far wider than just the south-east. I also hope the hon. Gentleman will recognise that we have introduced measures to help the regions, such as the regional economic growth fund and concessions on national insurance to certain parts of the country, as well as measures to help those parts of the country that are worst hit by unemployment. I do not agree that the leadership in our country is entirely confined to London and the south-east as there are many parts of the country with first-class leadership, and it is up to Members of Parliament who represent the regions to do what the hon. Gentleman has done: stand up in this House and fight for the areas they represent.

Gavin Williamson (South Staffordshire) (Con): Last year, all in South Staffordshire celebrated the fantastic news that Jaguar Land Rover was going to build a new engine plant in my constituency, in one of the Government's new enterprise zones. May we have a debate on how we might promote more manufacturing in the west midlands, so we can build on that success?

Sir George Young: I am delighted to hear of the good news in my hon. Friend's constituency, and he reminds the House that the 24 new enterprise zones will come on stream in April. They will bring a range of benefits, including access to capital allowances, business rate relief and new superfast broadband. That is a part of our strategy of rebalancing the economy by encouraging manufacturing and thereby getting a more sustainable foundation for the growth in employment that we all want.

Barry Gardiner (Brent North) (Lab): At a recent meeting of the Sustainable Business Forum, it became clear that UK Trade & Investment had no strategy for green economic development under the local enterprise partnerships. Indeed, UKTI was not even aware that eight of the partnerships have been designated specifically for green economic development, and its website is still showing Vestas as one of the key British flagship companies in green economic development. May we have a debate in Government time about the Government's strategy for green economic growth in this country?

Sir George Young: The Government are indeed committed to green economic growth, and a number of the measures taken by the Department of Energy and Climate Change have been designed precisely to ensure that. I will take up the specific issue the hon. Gentleman raises about UKTI to see if anything needs to be done there, and I shall draw his point to the attention of my ministerial colleagues at both DECC and the Department for Business, Innovation and Skills.

Mrs Anne Main (St Albans) (Con): May we have an urgent debate on the number of roads that are not brought up to adoptable standard by developers? This is a nationwide problem. There are roads in my constituency that have been awaiting adoption for 10 years, and Taylor Wimpey is refusing to engage with the local authority. We must debate this issue, especially if we are going to increase housing development in this country.

Sir George Young: I suspect that many other Members have also encountered precisely that problem, where residents living in recently developed estates find that the roads are still in the ownership of the developer, that they are not up to a standard that the local authority will take over, and that the developer will not bring them up to the appropriate standard. I will contact my colleagues at the Department for Communities and Local Government to see if there are any steps that the Government need to take to ensure private developers honour their obligations, often under section 106, so that the residents on such estates have roads of a quality to which they are entitled.

Fiona O'Donnell (East Lothian) (Lab): The Secretary of State for Environment, Food and Rural Affairs initially promised to publish in 2010 a report on the humaneness and effective use of snaring and then, in response to a written parliamentary question, said she would release the report by the end of last year. We have still not had the report, however, which is preventing debate on this issue not only in this place, but in the Public Petitions Committee of the Scottish Parliament. While the Government are in an enabling mood in respect of Scotland, please will the Leader of the House press for the report to be published?

Sir George Young: I understand the hon. Lady's concern. There will be an opportunity next Thursday to ask the Secretary of State about that report. I will make sure that Ministers in that Department are aware of the hon. Lady's concern and let them know that there is a strong likelihood that they will be asked about that issue in a week's time.

Mark Pritchard (The Wrekin) (Con): May we have a debate on abortion term limits? Does the Leader of the House believe it is right that babies in this country are still being aborted because they have cleft palates or club feet?

Sir George Young: I understand my hon. Friend's concern, but I have to be frank with him: the Government do not have plans to introduce legislation to reform the law on abortion. The issue was debated at some length in the previous Parliament. However, if he wants a debate on it, he may like to approach the Backbench Business Committee, because I appreciate that strong views are held on both sides of the argument.

Kevin Brennan (Cardiff West) (Lab): As the Leader of the House is having so much trouble filling parliamentary time, why has he not been able to allow the Prime Minister to fulfil his promise of having a debate and a vote on fox hunting? Might that be because the Leader of the House is not looking very hard for that time?

Sir George Young: I suspect that if the first thing that the coalition Government had done was have a debate on fox hunting, the hon. Gentleman would have questioned our priorities. The Government have a legislative programme which is before the House, and we believe that is the appropriate priority for the House. There are three and a half years to go in this Parliament, and in due course that section of the coalition agreement will be honoured.

Andrew Bridgen (North West Leicestershire) (Con): At Health questions this week, I asked about reports that advertisements for personal injury lawyers had started appearing in hospital accident and emergency departments. The Minister who answered rightly said that it was not appropriate for such material to appear in NHS hospitals. However, the Compensation Act 2006, introduced by the previous Labour Government, states that hospitals are authorised to deal with companies under agreement, so may we have an urgent debate about the unwelcome consequences of that Act, which I believe has added to the compensation culture in this country?

Sir George Young: I am disturbed to hear that such advertisements are going up in hospitals in our country. As my hon. Friend says, unauthorised marketing by claims management companies is already prohibited without the approval of the management of the facility or the building, and that ban has forced a number of claims companies to modify how they advertise their services. To answer my hon. Friend's specific question, a Command Paper on post-legislative scrutiny of the Act he mentions has been laid in Parliament today, and there is a related written ministerial statement, which he may like to look at.

Ian Lavery (Wansbeck) (Lab): Another dire statistic revealed this week that there are 210,000 households in the north-east in which no one is working. That, coupled with the highest unemployment, fuel poverty and child poverty rates in the country, does not bode well for the people of the north-east. Will the Leader of the House make time for a debate to discuss the future for the people of the north-east and the north-east economy?

Sir George Young: Of course the Government are concerned about the high level of unemployment in the hon. Gentleman's constituency and the north-east in general. To put this in context, the Office for Budget Responsibility expects that between 2011 and 2017 total employment will increase by about 1 million, with a 1.7 million rise in private sector employment offsetting a total reduction in general government employment of about 710,000. As the hon. Gentleman will know, we have introduced the Work programme, the UK's biggest ever single employment support programme. We are also introducing universal credit, which will improve the incentives to get back into work, and there is extra funding on apprenticeships and other such activities. I hope that will help reduce unemployment in the hon. Gentleman's constituency.

Andrew Selous (South West Bedfordshire) (Con): Could we have a debate on value for money and effectiveness in local policing, so that other police forces can learn from the example of Bedfordshire police, which has just cut crime by 67%? We could learn about the police station exclusion policy of inspectors such as Frank Donnelly, who has made sure that officers are out catching criminals and not inside police stations.

Sir George Young: I commend the work of Inspector Frank Donnelly, who has shown that, within the challenging financial settlement that police authorities have had to live with, it is possible to reduce crime by getting officers out of the station and on to the streets. I was delighted to hear of the reduction in crime in my hon. Friend's constituency, and I hope the example of Frank Donnelly will be copied elsewhere.

Chris Bryant (Rhondda) (Lab): The business that the Leader of the House announced was pretty threadbare, and although I agree with him that we do not necessarily want to be a legislation factory, I have a solution for him. There are 101 private Members' Bills waiting for time and only two days when they could possibly be debated before Prorogation, when they all lapse. Some of them are on really important things such as adoption, firearms, daylight saving, metal theft, the registration of lobbyists—that would solve the problem there. Why does the Leader of the House therefore not give up some of the days he is using on footling business and allocate them to private Members' Bills, which lots of Members on the Government Back Benches would love? [HON. MEMBERS: "Hear, hear."]

Sir George Young: That is a very populist demand which I know finds a lot of support on the Back Benches. I gently remind the hon. Gentleman that there are two Houses of Parliament and legislation has to pass through both. There is no point in stacking up more and more Bills in this House if the other House has not got the time to process them. He will know that the Welfare Reform Bill, the Legal Aid, Sentencing and Punishment of Offenders Bill, the Health and Social Care Bill and the Scotland Bill are all awaiting consideration in another place, and they have to complete their passage through the House before the end of the Session. There is no merit at all in adding to the queue in the way the hon. Gentleman has suggested.

Martin Vickers (Cleethorpes) (Con): Can the Leader of the House find time for a statement that could give an answer to the North Lincolnshire question? The question relates, of course, to the Scottish referendum and why a Scot working in North Lincolnshire for a few years will be denied a vote on the future of his country, whereas someone from North Lincolnshire working for a few years in Scotland will have the opportunity of a vote.

Sir George Young: I suspect that the North Lincolnshire question could be posed for almost any part of the country. My hon. Friend will know that the provisional decision is to use the franchise for the Scottish Parliament as the basis for any referendum, but there will be adequate opportunities in the debate that was launched on Tuesday by my right hon. Friend the Secretary of State for Scotland to discuss the broader issues surrounding the referendum. It would make sense for the House to reflect at some point on the announcement made on Tuesday, and that may provide an opportunity for my hon. Friend to pose his question; and—who knows?—he may get an answer to it at the end of that debate.

David Wright (Telford) (Lab): Could we have a statement from a Health Minister about the introduction of the 111 service? There is real concern in Telford that the introduction of the 111 service might severely damage our excellent out-of-hours GP service, specifically consultations and out-of-hours cover.

Sir George Young: There was an opportunity to ask Health Ministers questions on Tuesday, but I will draw my right hon. Friend the Health Secretary's attention to the concern that the hon. Gentleman has expressed about the 111 scheme's impact on services and ask him to write to the hon. Gentleman.

Karen Bradley (Staffordshire Moorlands) (Con): Over 80% of people in employment in my constituency are employed in the private sector, many of them in small businesses. Those businesses should be given the support they need to enable them to grow and to create more jobs, so that we can get more people working in the private sector. Could the Leader of the House find time for a debate on that matter and the support the Government could give?

Sir George Young: My hon. Friend is right—we do look to the small and medium-sized enterprises to be part of the dynamo for growth and reducing unemployment. She will know that we have doubled small business rate relief for two and a half years. Originally, we announced a doubling of that relief for one year, and that was extended in the 2011 Budget, and again in the autumn statement for a further six months from October 2012. There are also other initiatives, such as cutting red tape and the loan guarantee scheme. I hope that all those will be of assistance to SMEs. We all have a role to play in drawing to the attention of SMEs in our constituencies the various schemes the Government have made available to assist them.

Mr Iain Wright (Hartlepool) (Lab): The Leader of the House mentioned rebalancing the economy. Data from the US suggest that its manufacturing sector is expanding strongly and unemployment is at a three-year low. By way of contrast, British manufacturing has suffered the sharpest fall in activity since 2009, unemployment here is at an 18-year high, and yesterday's trade figures showed that exports to countries outside the EU have declined. Given that next month marks the 200th anniversary of the birth of Charles Dickens, can we have a debate on a tale of two economies, so that this House can debate with Dickensian eloquence why the US seems to be pulling out of the mess but Britain seems to be going ever further into it?

Sir George Young: I point out to the hon. Gentleman that the decline in the manufacturing industry did not begin in 2009; there had already been a fairly substantial reduction in employment in manufacturing. One of the things we are seeking to do is to rebalance the economy, and the intervention a few moments ago from my hon. Friend the Member for South Staffordshire (Gavin Williamson) showed the success we are having in promoting, for example, car manufacturing. Also, other sectors of the economy have been doing better, such as pharmaceuticals. However, the hon. Gentleman is right: we want to emphasise growth. My right hon. Friend the Chancellor will be drawing up his Budget, and I hope it will be possible to take further measures to address what the hon. Gentleman calls the tale of two countries. However, the US has not been without its problems: I think I am right in saying that growth in the last quarter in this country was higher than in the US.

Mr Matthew Offord (Hendon) (Con): Can we have a debate on the Government's energy policy in light of the *Which?* report stating that more than 4 million consumers were dissatisfied with their energy company, and in light of the Centre for Policy Studies report arguing that the introduction of the carbon floor price in 2013 will damage efforts to decarbonise the UK's electricity supply?

Sir George Young: I understand my hon. Friend's concern. Some of the issues he raises are a matter for Ofgem, with which the Government are working, for example, to have greater transparency on tariffs and to make it easier for consumers to switch from one to another. We have taken some steps already—we plan more—to give Ofgem more teeth in its transactions with electricity suppliers. I hope my hon. Friend will welcome yesterday's and today's announcements by two major companies of tariff reductions, and that that will take some of the pressure off the consumers he referred to.

Mr Dave Watts (St Helens North) (Lab): Given that the Prime Minister guaranteed that rail fares would not increase by more than 1% above inflation, and that many are in fact increasing by up to 11%, can we have a statement or debate on the Government's failure to control rail prices—and on the Prime Minister's ability not to keep his promises?

Sir George Young: I am not sure where the hon. Gentleman was yesterday, but I think we had a debate on rail fares. We have already had half a day's debate, and I remind him that in 2009, under the regime of the previous Government, rail fares were allowed to go up by 11%.

Nick de Bois (Enfield North) (Con): The Mary Portas review, which has been endorsed by the Government and the Opposition, highlighted the burden that parking charges place on our high streets. Will the Leader of the House grant a debate on why Enfield's Labour council has persisted with massive increases in parking charges, including the introduction of Sunday charges, against the wishes of shopkeepers and churchgoers and despite vociferous opposition from the *Enfield Independent* and *The Enfield Advertiser*?

Sir George Young: I welcome my hon. Friend's role as a champion of businesses in his constituency, particularly of the retail sector. He will know that I announced a debate next week on the Mary Portas review, chosen by the Backbench Business Committee. I hope that will be an opportunity for him to intervene at slightly greater length than he was able to today.

Gloria De Piero (Ashfield) (Lab): Could we have a debate on hospital parking charges? The hospital in my constituency has introduced big rises and has recently started charging for disabled parking. Sadly, it is not alone in doing so.

Sir George Young: I understand the hon. Lady's concern. That is primarily a matter for the trust that runs the hospital she referred to. Often, the income from car parking helps to sustain a higher level of service than would otherwise be the case. However, the Government have devolved this matter to local trusts, and I am sure she will want to pursue the issue with the chief executive of her local trust.

Kris Hopkins (Keighley) (Con): The Leader of the House will doubtless be as alarmed as I am to read reports about the continued widening of the division between the civilian Government and the military in the nuclear-armed state of Pakistan. May we have an urgent statement from the Foreign Secretary outlining the potential implications for our country of that country's continued instability?

Sir George Young: I understand my hon. Friend's concern. The Foreign Secretary will be at this Dispatch Box on Tuesday, when my hon. Friend will have an opportunity to question him. A strong, stable constitutional democracy is in Pakistan's interests, but I take on board the point that my hon. Friend has just made.

Derek Twigg (Halton) (Lab): May I ask the Leader of the House for an urgent statement to clarify the Government's plans for increasing the number of private patients in NHS foundation trust hospitals? On Tuesday, the Minister of State, Department of Health, the right hon. Member for Chelmsford (Mr Burns) said that

"we are not changing the situation"—[*Official Report*, 10 January 2012; Vol. 538, c. 14.]

but of course the Health and Social Care Bill removes the private patient cap and the Government's impact assessment assumes the inclusion of

"additional...overseas private patients... and patients who would have otherwise been treated on the NHS",

so how can that statement be true?

Sir George Young: As the hon. Gentleman knows, the Health and Social Care Bill is being considered in another place; we have just had the completion of 15 days in Committee and a number of days have been allocated for Report. I have no doubt that the specific issue he mentions will be raised during the remaining stages of that Bill, and if the Bill comes back, there will be an opportunity for him to raise the matter again in this House. In the meantime, I will draw his question to the attention of my right hon. Friend the Secretary of State.

Damian Hinds (East Hampshire) (Con): From this week, credit unions enjoy important new freedoms to help them develop and grow. May we have a debate on financial inclusion, affordable credit and the important role that credit unions play?

Sir George Young: My hon. Friend's suggestion is very timely in view of the reports over the Christmas holidays of the less scrupulous operators in that field, and he reminds the House of the role of credit unions. I cannot promise such a debate, but I know that Members on both sides of the House have expressed an interest in the subject, and the Backbench Business Committee may wish to add it to its list of requests.

Mrs Jenny Chapman (Darlington) (Lab): Darlington football club is 128 years old and, as the Leader of the House knows, it is the club that gave the world's first black professional footballer, Arthur Wharton, his big break. Sadly, despite the best efforts of local businesses, *The Northern Echo* and the local council, the club is in administration and has days, if not hours, before liquidation. When can we have a debate on the support that is available to help historic clubs such as Darlington?

Sir George Young: I am sorry to hear of the problems that confront the hon. Lady's local football club. The statue of the footballer to whom she refers was made by a sculptor in my constituency, which is why I am aware of the case. I do not wish to raise her hopes, but I will draw her concern to the attention of my right hon. Friend the Secretary of State for Culture, Olympics, Media and Sport to see whether there is any role for the Government to play in enabling the club to continue.

Dr Andrew Murrison (South West Wiltshire) (Con): May we have a debate on the likely effectiveness of the ban on sow stalls in the European Union from 1 January 2013, given that there is every indication that several countries will not be compliant? The UK rightly implemented the ban from 1999, but it has halved the sow herd. Clearly, more needs to be done in Europe to promote animal welfare and in Britain to ensure that our industry is protected.

Sir George Young: This country has always set high standards in animal welfare. I understand my hon. Friend's concern that some of our competitor countries may not be implementing the new measures as quickly as they should, and I can tell him that we will be taking action to drive compliance by the slower implementers. As he says, the EU has banned sow stalls, but farmers in other member states are not implementing the measures as fast as farmers in this country, and I will draw his concern to the attention of the relevant Minister.

Diana Johnson (Kingston upon Hull North) (Lab): Following the votes in the other place on the Welfare Reform Bill, may we have a debate in this House about the effect that the benefit changes will have on people who received contaminated blood products through treatment in the NHS and the fact that they will lose the very limited benefits that they are entitled to with the changes that the Government are introducing?

Sir George Young: The Welfare Reform Bill will of course be returning to this House when it has completed its consideration in another place. Depending on any changes made to that Bill, hon. Members may have an opportunity to raise that matter. The hon. Lady attended a meeting with the relevant Minister, along with myself and others. I will ask the Under-Secretary of State for Health, my hon. Friend the Member for Guildford (Anne Milton) to refresh us both on the steps being taken as a result of that meeting, at which we met those who have suffered as a result of contaminated blood and believe that they are getting a raw deal.

Mr Philip Hollobone (Kettering) (Con): Given the difficulties that the Leader of the House has in filling parliamentary time, given that the Backbench Business Committee always arranges interesting, entertaining and

well attended debates on topical issues that Members and the country want discussed, and given the large number of requests that he has referred to that Committee today, has he given any consideration to having a Backbench Business week, when all the business of that week can be determined by that Committee?

Sir George Young: My hon. Friend puts forward an interesting proposition. What we have tried to do is step up the number of days that we have made available to the Backbench Business Committee; it has a debate later today and one next Tuesday, and I announced another debate for the following week. I am not quite sure that it would make sense to block out a whole week and allocate all of it to the Backbench Business Committee.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Next Thursday, a by-election will be held in Redcar and Cleveland borough council's Newcomen ward. The Liberal Democrat candidate has made openly Islamophobic statements on his Facebook site, yet he remains the candidate, despite Liberal Democrat "zero tolerance" to such instances of prejudice and discrimination. The Muslim Council of Britain is concerned about this, as are the Coexistence Trust and HOPE not hate. Does the Leader of the House believe there is any place in a mainstream democratic political party, especially one that is in government, for someone, such as Newcomen's Lib Dem candidate, who holds such clearly expressed Islamophobic views?

Sir George Young: I am reluctant to get drawn into a by-election spat. If any criminal offence has been committed, it would be appropriate to refer it to the police. My only comment is that if a Conservative candidate is standing, I hope that everyone will support him or her.

Christopher Pincher (Tamworth) (Con): There has been a great deal of debate recently about public sector pensions, but may we have a debate about the state pension, so that we can discuss the actions that the Government are taking to improve the lot of state pensioners and ensure that they never again suffer the indignity of the miserly 75p rise they got from Labour?

Sir George Young: We would welcome such a debate. This year, pensioners will see the biggest cash rise they have ever seen, and under our triple lock the state pension will always be increased, year on year, in line with average earnings, prices or 2.5%, whichever is the highest. This year's increase of more than £5 a week contrasts, as my hon. Friend has just reminded us, with the 75p that the Labour Government gave pensioners in 1999.

Ian Austin (Dudley North) (Lab): The west midlands was hit hardest during the downturn and is taking longest to recover, so it beggars belief that £185 million of European regional development fund money—designed to boost the economy, attract investment and create employment—that has been earmarked for the west midlands is lying idle, along with £1.1 billion nationally. Will the Leader of the House get the Minister responsible for this shambles to come to the House of Commons to explain to us why this money is not being spent in the regions where it is needed?

Sir George Young: I assume that that is a matter for my right hon. Friend the Secretary of State for Business, Innovation and Skills. If that is the case, I will draw the matter to his attention and see whether there is a role to play in making sure that any funds that could be used for investment in the west midlands are unlocked.

Glyn Davies (Montgomeryshire) (Con): Two of the greatest challenges facing us are energy costs, both to households and to business, and the need to reduce the impact of climate change. May we have an early debate about the progress being made towards the introduction of the green deal?

Sir George Young: I cannot promise an early debate on the introduction of the green deal. I believe that just before Christmas my right hon. Friend the Secretary of State for Energy and Climate Change made a statement to give us an update on the progress that we were making towards our targets. I imagine that such statements will be repeated at 12 month intervals. My hon. Friend might wish to approach the Backbench Business Committee to see whether it can find time for such a debate, so that we can outline the progress we are making on tackling climate change.

Harriett Baldwin (West Worcestershire) (Con): As we rebalance the economy towards business growth and entrepreneurship, may we have a debate on employer-supported child care vouchers, because at the moment the only people who cannot access such support are the self-employed?

Sir George Young: The vouchers are of great help; they help nearly 500,000 people balance their commitments to their family with their work. My right hon. Friend the Chancellor will be considering his Budget and I will pass on my hon. Friend's suggestion that the scheme should be extended to include the self-employed.

Chris White (Warwick and Leamington) (Con): Earlier this week, I was fortunate enough to meet young people in my constituency at our local youth forum. Their engagement in and passion about improving our community were excellent to see and showed their great potential to make a difference. Will the Leader of the House give Government time for a debate on how to get more young people involved in politics and make our institutions as relevant to them as possible?

Sir George Young: I commend my hon. Friend for what he has done. It is up to every Member of Parliament to engage with young people in their constituencies and to encourage them to take part in the political process in the way he has suggested. I was encouraged, as I know were you, Mr Speaker, and the hon. Member for Wallasey (Ms Eagle), by the quality of the debate when the Youth Parliament met here a few weeks ago and by the representatives' commitment to the political process. I hope that some of them will in due course sit on these green Benches.

Several hon. Members *rose*—

Mr Speaker: Order. There is extreme pressure on time, as I mentioned earlier, and the level of interest in the first of the two Backbench Business Committee

[Mr Speaker]

debates has necessitated the imposition of a very tight time limit. I am happy to take remaining colleagues on the explicit condition that we have single-sentence questions, led by Mr Julian Smith.

Julian Smith (Skipton and Ripon) (Con): May we have a debate to support Ofcom's excellent decision this morning to extend the coverage obligations on the spectrum auction for 4G from 95% to 98%, which will make a massive difference to rural areas in Britain?

Sir George Young: I would like to promise such a debate, but I would be misleading my hon. Friend if I said yes. I hope that he will go along at 1 o'clock on Tuesday to the salon chaired by the hon. Member for North East Derbyshire (Natascha Engel) and put in a bid for a debate on this important issue.

Henry Smith (Crawley) (Con): Towards the end of last year, I was pleased to be able to help launch the Royal College of Midwives' "State of Maternity Services" report. There has been an increase in the number of midwives, but there has also been an increase in the number of births, so I would therefore be grateful if consideration could be given to holding a debate on the future of maternity services.

Sir George Young: That delivery took a little longer than Mr Speaker implied. My hon. Friend is a patron of the Royal College of Midwives and I commend him on his interest. The Government are committed to high-quality perinatal and antenatal care: hundreds more midwives are in service now than in 2010 and a record number are in training. I hope that my hon. Friend is reassured by that basic information.

Andrew Stephenson (Pendle) (Con): Many businesses in Pendle have welcomed the reduction in the rate of corporation tax, but many are still struggling with an overtly complex tax system. May we therefore have a debate on tax simplification?

Sir George Young: I very much hope that the Chancellor will take on board what my hon. Friend has said. We are consulting on integrating the operation of income tax and national insurance contributions, but I am sure that that would be a step in the right direction.

Stephen Metcalfe (South Basildon and East Thurrock) (Con): For many years, my constituents in south Essex have suffered intolerable delays at the Dartford crossing. My hon. Friend the roads Minister has an innovative solution; it requires legislation, however, so, will the Leader of the House tell me and my constituents when that legislation will be brought forward?

Hon. Members: Four sentences!

Stephen Metcalfe: They were commas.

Sir George Young: We have just had Transport questions, when my hon. Friend might have had an opportunity to raise that matter. It would be up to my right hon. Friend the Secretary of State for Transport to propose such a piece of legislation and it would have to take its place in what, I have to tell my hon. Friend, is a rather long queue.

Mr Speaker: Colleagues have quirky ideas about commas and semi-colons; that is immediately apparent.

Sarah Newton (Truro and Falmouth) (Con): Men, too, are victims of domestic violence, so may we have a debate about the Government's recent announcement of new money that is available to help voluntary sector organisations that provide vital support to those victims?

Sir George Young: I commend my hon. Friend for drawing attention to the fact that not just women are victims of domestic violence. I cannot promise such a debate, but I refer her to the hon. Member for North East Derbyshire and the Backbench Business Committee.

Bob Blackman (Harrow East) (Con): Harrow clinical commissioning group has been informed by NHS London that it is not economically viable as a unit under the Government's reforms, and that it must be replaced and join Brent, Harrow, Ealing, Hillingdon, Hounslow, Kensington and Chelsea, Westminster and Hammersmith and Fulham. May we have a debate on the implementation of the Government's NHS reforms?

Sir George Young: The Government are encouraging group practices to band together to form clinical commissioning groups, but there is no central direction about how they should be configured. In the first instance, I suggest that my hon. Friend contacts NHS North West London and shares his concern to see whether there could be a better configuration of local practices that perhaps covered a slightly smaller area than the one that is envisaged.

Backbench Business

[UN-ALLOTTED DAY]

Pub Companies

[Relevant documents: The Second Report from the Trade and Industry Committee, Session 2004-05, Pub Companies, HC 128; the Fourth Special Report from the Trade and Industry Committee, Session 2004-05, Pub Companies: Government Response to the Committee's Second Report on Pub Companies, HC 434; the Seventh Report from the Business and Enterprise Committee, Session 2008-09, Pub Companies, HC 26; the Third Special Report from the Business and Enterprise Committee, Session 2008-09, Pub Companies, HC 798; the Fifth Report from the Business, Innovation and Skills Committee, Session 2009-10, Pub Companies: follow-up, HC 138; the Eighth Report from the Business, Innovation and Skills Committee, Session 2009-10, Pub Companies: follow-up: Government Response to the Committee's Fifth Report, HC 503; the Tenth Report from the Business, Innovation and Skills Committee, Pub Companies, HC 1369, and the Government response, Cm 8222; and Oral evidence taken before the Business, Innovation and Skills Committee on 6 December 2011, HC 1690-i.]

12.35 pm

Mr Adrian Bailey (West Bromwich West) (Lab/Co-op): I beg to move,

That this House believes that the Department for Business, Innovation and Skills' proposals for reform of the pub industry fall short of the undertaking given to the Business, Innovation and Skills Committee in July 2010 and that only a statutory code of practice which includes a free-of-tie option with an open market rent review and an independent adjudicator will resolve the contractual problems between the pub companies and their lessees; and calls on the Government to commission a review of self-regulation of the pub industry in the Autumn of 2012 to be conducted by an independent body approved by the Business, Innovation and Skills Committee.

I thank the Backbench Business Committee for agreeing to allocate time for this very important debate. It might not be immediately obvious, but the motion addresses issues that are vital to some of the poorest people in our community—publicans, many of whom work very long hours and earn less than £15,000 a year. It is hardly surprising that many of them just give up and go elsewhere, and the consequences are visible up and down the country as pubs close day after day. The consequences hit not just publicans but the local communities they serve. Increasingly, rural villages are without a village pub and without the social hub and activity concentrated in that pub. That adds to the sense of alienation.

Even in my local area, where 10 years ago there were four pubs within a mile, only one is left. I know that experience is shared by Members up and down the country. There is obviously something profoundly wrong in the industry. Some of it is about social changes, but, to go to the heart of the problem, a huge volume of evidence now shows that the business model governing the relationship between pub licensees and the pub companies that own the pubs is crucial. The code of practice that governs the relationship between them is heavily weighted in favour of the pub company. I and others will be addressing some of the issues that arise from that.

Mr James Gray (North Wiltshire) (Con): I would be grateful if the hon. Gentleman clarified one small point that is missing from the motion: namely, that he is referring to large pub companies that own large numbers of pubs and that family-owned brewing companies that own fewer than 500 pubs, such as Wadworth and Arkells in my constituency, are specifically excluded from the statutory regulation for which he is calling.

Mr Bailey: Yes. Let me make it clear that I am basically speaking about the Select Committee reports, which were about pub companies, but I recognise that there is an issue with breweries and their tenancies that in some cases might be relevant to this discussion. I know that individual Members will draw the necessary distinctions in the debate and I hope to allay any fears they might have.

Kevin Brennan (Cardiff West) (Lab): Will my hon. Friend give way?

Mr Bailey: I shall take one more intervention.

Kevin Brennan: Towards the latter end of the previous Parliament, when I, as a Minister, and my right hon. Friend the Member for Wentworth and Dearne (John Healey) did a lot of work on this subject, there seemed to be a great deal of consensus between the then Select Committee and the then Opposition parties that such a measure was necessary. Is my hon. Friend surprised that we have reached a stage in this Parliament where we have to debate this matter because action has not been taken?

Mr Bailey: The answer is that I am absolutely astonished and I shall address that point.

Dr Andrew Murrison (South West Wiltshire) (Con) *rose—*

Mr Bailey: I need to make a little progress, as I am conscious that many people want to speak. If I have time, I shall take further interventions.

For the reasons I have outlined, the BIS Committee and its predecessor have held no fewer than four inquiries into the issues surrounding the trade. The previous report in 2010 under the chairmanship of the hon. Member for Mid Worcestershire (Peter Luff) gave the industry a year to get its house in order or have statutory legislation. That was agreed by the Labour Minister in 2010. Subsequently, after the general election, when the Secretary of State for Business, Innovation and Skills was asked whether he would uphold the previous Government's position, he confirmed he would.

The current BIS Committee held an inquiry in 2011 and came to the unanimous conclusion that pub companies had not met the requirements of the previous Committee's recommendations and that a statutory code with an independent adjudicator should be introduced. It also recommended that any code should have within it the option for a publican either to be tied to the pub company or to be free of such a tie and instead pay a

[Mr Bailey]

rent to the pub company, which would be determined by a general open market review by a suitably qualified assessor.

The Government's response to the Committee's recommendations has been totally inadequate. The Minister's pledge fails to meet the aspirations of virtually all sections of the industry apart from those of the pub companies and reneges on the pledge given previously by a Minister. In the time available, I cannot deal with every point of variance between the recommendations of the Government and those of the Committee, but I know that many of the issues will be teased out in subsequent speeches.

Greg Mulholland (Leeds North West) (LD): Will the hon. Gentleman give way?

Mr Bailey: I will take this intervention because I know the hon. Gentleman has been heavily involved in this issue.

Greg Mulholland: I thank the hon. Gentleman for giving way and I pay tribute to his work and that of the Committee. He mentions the clear commitments given by Ministers. Is he aware of the e-mail from the office of the right hon. Member for Witney (Mr Cameron) to Justice for Licensees on 13 April 2010, saying:

"The Conservative Party support the idea that should the industry fail to deliver self-regulation by June 2011, the Government . . . should end up consulting on putting the Code of Practice on a statutory basis"?

Mr Bailey: No, I was not aware of that e-mail, but I am sure it will illuminate subsequent discussions.

I cannot deal with every issue that has arisen, but it is possible to summarise some of the key issues, the first of which is the statutory code of conduct and an adjudicator. Instead of doing as the Select Committee recommended and introducing a statutory code, determined after consultation with all sections of the industry, the Government have said they will make the existing codes between pub companies and their licensees legally binding. That might sound like a very subtle distinction, but most pub companies believe that their existing contracts with their licensees are legally binding anyway. This approach simply legalises and regularises a situation that is the source of the problem in the first place, and makes very little change.

The second key issue concerns the legal advice that the Government seem to have obtained in reaching their conclusion on the best way forward. On pressing this issue, it became clear to the Committee that the legal advice taken by Government was actually that given to the British Beer and Pub Association—the trade association of the pub companies. They do not seem to have taken any independent legal advice whatever.

Ann McKechin (Glasgow North) (Lab): Will my hon. Friend give way?

Mr Bailey: I will, but I am conscious of the fact that many others want to speak.

Ann McKechin: My hon. Friend is very generous in allowing me to intervene. Does he share my concern that the key difference between a statutory code and a self-regulated one is that under a self-regulated code if a pub should be sold by the landlord to another company that was not a member of the said trade association, the tenant would have no rights, as currently provided under the code, whereas under a statutory code they would have rights?

Mr Bailey: Yes, this is a very important distinction and I know that the issue exercises representatives of the licensees.

Dr Murrison: Will the hon. Gentleman give way?

Mr Bailey: I will take the hon. Gentleman's intervention and then I must press on.

Dr Murrison: The hon. Gentleman is being very generous. How does he believe the motion might be improved or amended to dispel the concerns expressed by family brewers of the sort referred to by my hon. Friend the Member for North Wiltshire (Mr Gray) that they would be affected by a statutory code when that is not the case?

Mr Bailey: I am not amending the motion, but I assure the hon. Gentleman that in the Select Committee's consideration of any panel to assess the workings of the voluntary code the Committee would make the panel well aware of this issue.

The third issue is the weakness of the framework code. It is fair to say that the Government acknowledge that the existing framework code is weak, even though they are making it legally binding, but to date all the proposals for strengthening it seem to have come—surprise, surprise—from the British Beer and Pub Association. I cannot think of anything more likely to destroy confidence within the wider industry and among publicans than a code that has been supposedly strengthened on the advice of the BBPA.

John Healey (Wentworth and Dearne) (Lab): I am very grateful to my hon. Friend for giving way and I congratulate him and the Committee on the report. Does he think that the code will help Mr Wild, who runs a very popular pub in Rotherham, whose business is being throttled by the terms of his tenancy? He tried to arrange with Enterprise Inns to buy his cask ales free of tie. He was told it would be £10,000 to £15,000 negotiable but was then told, three days later, it would be £20,000 non-negotiable. He asked for that to be put in writing but was refused. He was then told that the agreement would be for each one of his cask ales, not all five, and that it would be not a one-off payment but an annual payment.

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. A lot of Members want to get in, so we need shorter interventions.

Mr Bailey: Thank you, Mr Deputy Speaker. The short answer is that the motion is designed to provide a way forward that will end that sort of abuse. Like other Members up and down the country, I am sure, I have several equally unjust examples.

A fourth and crucial problem is the concern within the wider industry that the proposals do not reflect the interests of all relevant sectors. Given that there is

effectively a dispute between the pub companies and the licensees, it would be reasonable for all their interests to be considered equally, but this does not seem to have happened. I thank the hon. Member for Leeds North West (Greg Mulholland) for the work he has done, through freedom of information requests, which has clearly highlighted that the Government always intended to have a voluntary code, rather than a statutory one, and above all that in their response to the Committee they have reproduced almost word for word sections of submissions made by the British Beer and Pub Association. That completely undermines the confidence that the wider industry had in the Government's impartiality and commitment to finding an even-handed solution. That is one of my motives for wanting to put what I hope will be a fail-safe device in the motion to gain some sort of purchase on the process.

The fifth issue that I want to address is the Government's refusal to accept the BIS Committee's recommendations regarding the free-of-tie option with open market rent review, which I have mentioned. The Select Committee's position is not that there should be one option or other, but we do say consistently in all our reports that that option should be available for new and existing publicans so that they can, on the best professional advice, make a decision about what most clearly meets the needs in their business plan. Unfortunately, that is not included in the Government reply.

It is fair to ask why the motion does not call for immediate statutory legislation. The original recommendations of the Select Committee were predicated on the assumption that any such statutory intervention would arise from genuine and inclusive consultation, but the overwhelming evidence—I again thank the hon. Member for Leeds North West for the information he has obtained through FOI requests—is that the process is being driven by the BBPA. It is for that reason that I included in the motion a requirement that an independent panel be set up, with membership approved by the Select Committee, to ensure that any assessment of the processes that the Government undertake to deliver their proposals is monitored, and that recommendations can subsequently be made.

It is important for Parliament not only to state clearly today the need in principle for a statutory code, but to retain control of the process to ensure that the code genuinely reflects the interests of all sides of the industry. That is why I changed the motion in that respect.

Richard Fuller (Bedford) (Con): My point is about the timing of the review. A reasonable person looking at the motion would see that it mentions changes that are currently being implemented, but the hon. Gentleman is now calling for a review just a few months after they have been put in place. Will he explain the reason behind holding a review so soon after the changes?

Mr Bailey: The reason is that the Government started to implement their proposals for changes in the industry a month before Christmas, so it is reasonable to assume that by autumn 2012 we shall have some idea of how they are working. By setting up an independent panel of professionally qualified and suitably experienced people to assess the changes, we will be able to make a judgment about pursuing further statutory intervention.

Andrew Griffiths (Burton) (Con): Will the hon. Gentleman give way?

Mr Bailey: No, I am sorry. I am coming to a conclusion and other people want to speak.

Concerns are reflected in a submission from the Association of Licensed Multiple Retailers, which comments on the Government's existing proposals:

> "We have seen no action plan or agreed procedure to ensure open consultation in accordance with Government standards of best practice. There are also no agreed criteria or timetable against which progress may be judged or successful outcomes determined. Finally, there is no process for ongoing monitoring of Government to ensure that these commitments are delivered or sanctions available if they are not."

The proposals for an independent panel are designed to deal with that concern in the industry. My real fear is that if we pursue a statutory code without a mechanism for ensuring that it is based on the interests of all sectors of the industry, we could end up with the worst of all worlds—a statutory code based only on the interests of the BBPA.

The motion is not about more regulation; it is about liberating licensees, not regulating them. They are already heavily regulated in their contractual relationships with the pubcos. Our proposals for a statutory code would enable them to be free of some of those regulations. A properly constructed code of practice would provide a basis for some of our most entrepreneurial small business men to free up their talents and demonstrate how well they can serve the community.

I remind everybody in the Chamber that thousands of publicans up and down the country will be listening to and watching our debate, because they know that its outcome could be vital in determining their future. At the moment, they feel overwhelmingly let down. It is up to Parliament to pass the motion and to demonstrate today that we are on their side and that we will not rest until they get a fair deal.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I remind Members that Mr Speaker has not selected the amendment and that we have a five-minute limit on Back-Bench speeches.

12.55 pm

Mr Brian Binley (Northampton South) (Con): I thank my friend and colleague the hon. Member for West Bromwich West (Mr Bailey), the Chairman of the Business, Innovation and Skills Committee for his contribution. It has been an honour to serve as vice-Chairman under his guidance and I welcome the debate.

Mr Deputy Speaker, as you in particular will know, since 2004 there have been four Committee inquiries on this subject; I have had the pleasure of participating in two of them. Progress has been made, but many assurances have been given about the voluntary code that have not been upheld and that is not good enough.

The background is relatively simple. The nature of public houses and the associated brewing industry has changed much in the last 30 years. I recall a Monopolies Commission investigation as long ago as 1972, as a result of which breweries were increasingly made to question the value of maintaining their estate. In consequence much of the estate was sold, initially to entrepreneurs, but they were progressively usurped by

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the big players who developed massive estates of pub chains. They borrowed much to create those estates and therein lies the problem.

Bob Stewart (Beckenham) (Con): Is my hon. Friend talking about pub companies that own pubs, rather than breweries that have a pub estate? Is that the thrust of his argument?

Mr Binley: That is absolutely correct. I am talking about pubcos and I exclude family businesses that own fewer than 500 pubs. The big owners of pubs and their unsustainable financial structures are the real problem. Let me make it clear: this is not about family-owned brewery companies, who do a very good job indeed. I am talking about big pub companies whose model is unsustainable; it is based on excessive debt, misleading information and deception, as the inquiry has proved.

Karen Bradley (Staffordshire Moorlands) (Con): Will my hon. Friend clarify this point? Is it correct that large pub companies borrowed against future rental income, so they are dependent on that to sustain their high levels of debt?

Mr Binley: They borrowed against the value of the properties, and rental income is very relevant. That is absolutely correct. Therein lies the unsustainability of the model, when we bear in mind that the breweries built up their estate over a 200-year period.

Sadly, tenants are the victims of that unsustainable structure. In many cases they face prices higher than those on the open market, exorbitant rents and a quart-measure of misleading information. To make a pub work, individuals have ploughed in their savings on the back of distorted information, and as a consequence they have gone to the wall. Most publicans are dedicated and hard-working people. We should take note: they are influential opinion formers in our communities and many of them have been badly treated. All I seek is fairness on their behalf.

Following the Committee's 2010 inquiry, there was a clear understanding that the industry would have a year to get its house in order, or a statutory code of practice would be introduced. I questioned the previous Government and received that assurance. I questioned the current Secretary of State, who confirmed that he would continue with that promise, but the Government have sadly reneged on that undertaking. I find that very sad indeed.

The Government's proposals for a legally binding voluntary code are not good enough. They have performed a volte face on this issue and it is incumbent on them to explain why their proposals are superior. How will a voluntary code work? The Minister's argument seems to be that the level of protection will be comparable to that provided by a statutory code, but why is a voluntary code preferred when it has failed in the past? If the answer lies within the industry, why has it taken so long to make such desultory progress? Why should this Minister have any more faith in the industry than his predecessors, who had similar confidence? What is the cost of the voluntary code? How does it compare with the certainties that statutory regulation would bring? How much will it cost tenants, when they are in trouble, to pursue an action under the voluntary code? Those answers I demand from the Minister today. Concerns about the future of the industry abound. Why should small tenants be made to pay the price? They have suffered enough. Were they not persuaded to take on these pubs under false pretences, under an unsustainable structure? Does not all the Committee's evidence prove that to be true?

I want the Government to support the entire industry, including the tenants. That means that in companies with more than 500 pubs—that excludes the small businesses—tied tenants should have the option to become free of the tie.

Andrew Bridgen (North West Leicestershire) (Con): Does my hon. Friend agree that the current relationship between many tied pub tenants and large pub chain owners is almost feudal, and is neither fair nor sustainable?

Mr Binley: I agree, and I am grateful to my hon. Friend for making that point.

We need an opportunity for an independent, open rent review within the terms of the tenancy. Those who choose to stay tied need to have the option of selling a guest beer. We need to give tenants more freedom to decide the style and structure of their business. Those things are not available within the pubcos at present. Those are fairly simple requests. I do not believe that they can be achieved without an independent ombudsman to monitor compliance—history and practice are on this side of the argument.

I do not know why the Government have sought to back away from their own commitments. I recognise the need to compromise in the way that the Chairman of the Select Committee has explained, but if we want, as I do, a virile and vibrant pub industry that is strong for the future, we need to deal with the cancer that is undermining it and putting its very existence under threat. That, Mr Minister, means that we need to change the proposals that have already been made. I expect the explanations I have asked for, and I expect the Minister to be compliant and say that changes will be made—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I call Ian Lucas.

1.3 pm

Ian Lucas (Wrexham) (Lab): It is a pleasure to follow the hon. Member for Northampton South (Mr Binley), whose eloquence I aspire to and whose passion I can only dream about. I know that he has much experience of the detail of this issue from the Select Committee. One aspect of it in particular has concerned me for many years.

Before I came to the House, I was a high street solicitor, although I try to keep that quiet most of the time. One thing that I found most surprising when I began to work on commercial leases, particularly in the licensing sector, was the existence of this curious anomaly called the beer tie, which seems to create an anti-competitive situation in the brewing industry that does not appear to be allowed in any other industry.

Andrew Griffiths: The hon. Gentleman talks about the anti-competitive nature of the beer tie. Does he accept that a number of Government reports and one by the Office of Fair Trading have said that it is not anti-competitive at all?

Ian Lucas: I shall come on to that, and I reject that decision entirely. I accept that the OFT has investigated the matter on a number of occasions. Like many Members of the House and publicans in my constituency and across the country, I have for many years been completely mystified by the inactivity of the OFT and by the conclusions it has reached. We all know that pubs in our constituencies are in crisis and that the beer tie is part of the problem.

Greg Mulholland *rose—*

Ian Lucas: I give way to the hon. Gentleman, who has done so much tremendous work in this area.

Greg Mulholland: The hon. Gentleman will be aware that the OFT said clearly that the imbalance in the relationship between tenants and pub companies was not within its remit. It did not even comment on the substantive issue that we are debating today, so its report is not relevant.

Ian Lucas: Absolutely. The inequality in the bargaining power of pub companies and publicans is a central issue. We see that month after month in our constituencies. It is part of the crisis that is happening in town centres and high streets across the country. We must view the debate in the context of the important challenges that we all face, no matter what type of constituency we have.

I looked at this issue in detail before the last general election, when I surveyed publicans throughout my constituency on how their business could be improved. They were vociferous in responding, and one of the overriding themes was the existence of the beer tie. I am therefore astonished that the Government's response to the Select Committee states that

"the Government therefore considers the debate over 'tied' or 'free-of-tie' to be largely a distraction. There is nothing in itself that causes the tie to be fundamentally wrong—and, in fact, in some instances, the tied model may be essential to the preservation of small British brewers and local beer—and, with them, British businesses and jobs."

We have already touched on the position of small brewers. The inequality in the bargaining power of large pub companies and the publicans on our high streets is a central issue.

I was a Minister for regulatory reform before the last general election, and my view is that regulation should be a last resort. As far as I am concerned, this is the last resort, and this case desperately calls for regulation because we have to balance out the unequal bargaining power that is removing real choice from consumers on our high streets. When consumers go to their local pubs they are prevented from purchasing beers that they want because of the existence of the beer tie.

Fiona Mactaggart (Slough) (Lab): I am glad that my hon. Friend is talking about consumers. One of my concerns is that the number of pubs in my constituency has declined since 2005 from 52 to 33, which is not untypical. There is less choice for consumers, partly as a result of this issue.

Ian Lucas: That is absolutely right. We know that CAMRA, which has done superb work in this area over many years, takes the view that

"the 'beer tie' as operated by the large pub companies is a key driving factor behind the decline of the pub trade."

These concerns have been recognised over the years by various Select Committee reports. We all know that it is a very complex and difficult matter of long standing and that it is of grave concern to our constituents.

CAMRA goes on to say that the Secretary of State for Business, Innovation and Skills and the Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey),

"both gave clear Government commitments that if the pub companies failed to meet a deadline for self regulation by June 2011 then they would act to require meaningful reform. These commitments have been broken."

That is a very serious allegation, and I am sure that the Under-Secretary will want to respond to that in due course.

The commitments were given in the context of the build-up to the last general election. This was a major issue in campaigns in all parts of the House. When the election came there was a broad consensus about what action needed to be taken. It is unfortunate that the parties in government have not carried that consensus through to the implementation of policies that are broadly based and command respect throughout the House.

We know that there is a crisis on the high street and that pubs on those high streets play an extremely important part in a functioning and vibrant local community. The Government have the power to make a real impact on high streets by dealing with this issue, and they must do so simply by fulfilling the commitments they gave before the general election and that Ministers have made since. They need to respect publicans, the pub trade and our high streets and follow through on those commitments.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Time is very tight, so perhaps Members could ease back on interventions. Those Members who wish to catch my eye, if they have already intervened, will have to go lower down the list, because otherwise it is unfair on those waiting to speak. If Members can try to make the most of this and shorten their speeches, the better it will be.

1.10 pm

Greg Mulholland (Leeds North West) (LD): I echo my earlier comments commending the Select Committee on its excellent work. The all-party save the pub group has been delighted to work with the Committee and support its work. I am disappointed that we have to have this debate. As has already been made clear, in the past 18 months we received unanimous, cast-iron commitments from Front-Bench spokesmen of all three main parties that, if self-regulation failed by June 2011, a statutory code of practice would be introduced, including the all-important genuine free-of-tie option.

If people ask why this should be reviewed in the autumn, the simple answer is that it has been going on for seven years and generated four Select Committee reports. The last attempt at self-regulation was supposed to be the final one, which makes the Government's response even more baffling. The sad reality is that their response simply does not deal with the fundamental issue, which is that the big pub companies take too much from each pub and it makes it difficult or impossible

[Greg Mulholland]

for those licensees to make a living, and that also shuts pubs. The Government's response does nothing whatsoever to address that.

I am afraid that the Government have also been sold a pup. The immediate improvements outlined in their response are illusory. First, there are no substantive changes in the new framework code of practice produced by the British Beer and Pub Association. Secondly, and even more worryingly, the whole idea of putting the new codes on a legal footing is a mirage. The BBPA's own legal advice—let us all be clear that it is the representative organisation of the pub companies—based on a legal authority that goes back 100 years, the Carlill case, has made it clear that, if we are to rely on that case, those codes are already binding. A letter was sent to pubco lessees over Christmas that worried them considerably. It suggested that the 2010 company code of practice would become binding if they sought to use it in any case, which is clearly an offer to ensnare them in further obligations to their landlords not already covered in the lease.

The first question to the Minister is this: how on earth can anyone be seeking to put on a legal footing codes that he himself has said are inadequate? He has written to the Select Committee Chair, stating:

> "In some case, primarily where the letter was sent in advance of the new code being agreed, the link to the industry Framework Code led to the former version rather than the enhanced version, of the code; however, this will be superseded by the new version of the code once it has been agreed."

The simple problem is this: which code and which offer? There are so many codes floating around, it is an absolute mess. The Minister needs to know that many licensee organisations believe that the Government, accepting the advice of the BBPA that it is a good idea to make the codes legally binding, will actually make the situation worse for licensees, not better.

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): For the sake of clarity, it is the industry framework code that will be legally binding, and it is the strengthened industry code as agreed with the Federation of Licensed Victuallers Associations and the BBPA on 22 December last year.

Greg Mulholland: Not only was that code opposed by all the other organisations, but it was the old company codes that were mentioned in the letter, and the Minister has not adequately addressed that point.

Kevin Brennan: Is the hon. Gentleman surprised at what has happened, given that before the general election we worked closely together, he as a Back Bencher and I as a Minister, as did the Select Committee and the Front Benches, to come to an agreed position? Does he have any explanation for why the Government have taken this stance?

Greg Mulholland: Sadly, I am afraid that the explanation appears to be clear from the freedom of information request submitted by the save the pub group: the so-called Government response is basically the BBPA's own report, with some passages and commitments taken word for word—indeed, there is even a typo in the BBPA report presented to Ministers that was directly cut and pasted into the Government's response. I am afraid that the evidence is damning, which is why many organisations are saying that the Government should halt their entire proposal for reform in its tracks.

Mr Davey: Will my hon. Friend give way?

Greg Mulholland: I apologise to the Minister, but I have given way twice. He will have plenty of time to respond.

This is clearly not an industry solution. I am afraid that the Minister has been misled by the BBPA, because its report, which was copied into the Government's response, clearly stated that the Association of Licensed Multiple Retailers and the Guild of Master Victuallers had agreed to be part of the pub independent conciliation advisory service. However, the chairman of GMV has stated:

> "We as an organisation have neither agreed to, or been presented with, any proposal in respect of our participation in PICAS at this time."

The Minister needs to ask why he has been misled by the BBPA and then answer to the House.

Let us be clear that the Government's proposals for reform are not industry proposals. They are not supported by the Independent Pub Confederation, the GMV, the Federation of Small Businesses, the Forum of Private Business, the ALMR, CAMRA, Fair Pint, Justice for Licensees, Licensees Unite or the all-party save the pub group. Why on earth did the Minister suggest throughout the Government response that it is an industry proposal? It is not even the Government's response, but the response of the pubcos trying to avoid the self-regulation that he agreed was necessary.

The Prime Minister rightly talks about dealing with crony capitalism, and I absolutely agree with him on that. In 2010, after shares in Enterprise Inns collapsed—they fell from 770p in 2007 to 26p in January this year, a decline in value of 96.6%—Mr Ted Tuppen awarded himself a 50% pay rise of £412,000, taking home £1.22 million, including a bonus of £558,000. At the same time he was closing pubs and making things impossible for tenants. I am sorry to say that the Government's response has backed the pub companies and crony capitalism in the worst sense.

We now need the statutory code of practice, including the genuine free-of-tie option. That was promised by the Minister, the Secretary of State and the Prime Minister before the election. We have waited long enough. We will wait until the autumn, but no longer.

1.18 pm

Fiona O'Donnell (East Lothian) (Lab): I congratulate my hon. Friend the Member for West Bromwich West (Mr Bailey) on securing today's debate. It is about so much more than a fair deal for publicans; it is about the vital role pubs play in so many of our communities, particularly rural communities. In the village where I live in East Lothian, the pub is one of the few remaining facilities. It is where local community groups and organisations meet and where a newcomer like me goes to get to know the locals and find out what is going on in the community. Pubs are also vital employers in rural communities, but that is being hit hard by the Government's failed economic plan. The flexible working and shift patterns often fit well for women and provide them with vital employment opportunities.

We need to give publicans a fair chance to make a decent living, and as a new Member I have been amazed at the scale of the problem and at the number of publicans who have come to me to seek help. I am regularly copied into correspondence that extends to dozens of e-mails between them and the pub companies, and I cannot begin to imagine the stress that the situation causes publicans as they try to negotiate a fair deal. In that process, they often manage to negotiate a fair deal in one area, but then the pub company raises costs or reduces income in another. It really is time for the Government to do something about the situation.

Glyn Davies (Montgomeryshire) (Con): Will the hon. Lady give way?

Fiona O'Donnell (East Lothian) (Lab): I am afraid that I will not, because I am aware that many Members want to contribute.

Indeed, in my constituency one publican, Mr Laurence Brunton, contacted me when he heard the Government's response to the Business, Innovation and Skills Committee report, and said that the

"government's lame response to BIS committee recommendation makes a laughing stock of a hard working publican who is earning £10k a year."

Has the Minister had any conversations with the Chancellor about how much the taxpayer is having to pay out in tax credits to subsidise the way in which many of our publicans are being ripped off?

The problems that I hear from publicans in East Lothian are about pubco-packaged beer prices, as well as those for alcopops and soft drinks, being almost 100% more expensive than the wholesale price. They describe rent negotiations as totally one-sided, and they feel like they are being bullied. The correspondence that I have seen certainly seems to back that up. Pubcos are often slow to carry out repairs or they do not carry them out at all, and that affects a publican's ability to generate income and to achieve the targets that the companies set them. Many publicans survive only because of their family's help, often paying the minimum wage to family members in order to keep the business running.

The hon. Member for Leeds North West (Greg Mulholland) described the Prime Minister as talking about a fair system of capitalism, but actually the Leader of the Opposition has been leading that debate. It is good to see the Government catching up, if a little belatedly, but this is an opportunity for them to take some action to redress the imbalance in the pub industry.

I should like also to make some positive suggestions to the Minister and, indeed, to invite him to my constituency to see some different pub models that are fairer and give something back to the community.

Does he have any plans to encourage mutual pub models? The Prestoungrange Gothenburg pub in Prestonpans is an example of a pub giving back to the local community. It has recently won prizes and awards from the Campaign for Real Ale, as the best new enterprise in East Lothian, and, just last year, as Forth Radio's pub of the year. Its website describes just what the Prestoungrange Gothenburg does. It is

"under the management of the East of Scotland Public House Company Limited which trades wholly within the original Gothenburg Principles its founders established. After a 5% pa cumulative return on the capital employed in the enterprise, all further surpluses are Gift Aid granted to the Prestoungrange Arts Festival which is a charity devoting all its resources to using the arts to stimulate and encourage the economy of Prestonpans and its vicinity."

I should like the Minister to come to Prestonpans; I will even buy him a pint if he does. I hope to welcome him there soon.

1.23 pm

Andrew Griffiths (Burton) (Con): I pay tribute to the work of the Business, Innovation and Skills Committee, which has been diligent and dogged in taking this issue forward and looking at the pressures and problems that publicans and pub owners face throughout the country. I also thank the Backbench Business Committee for allowing this debate, as it demonstrates the real commitment on both sides of the House to ensuring that the Government do something to support pubs and brewers and get our pub industry back on its feet.

It is a pleasure to follow, in particular, my hon. Friend the Member for Northampton South (Mr Binley), who has immersed himself in pubs more, and has more experience of pubs, than any other Member. I have no doubt that everybody taking part in today's debate has read the Science and Technology Committee's report and abstained for at least two days this week in order to contribute this afternoon.

I should also declare an interest as the chairman of the all-party beer group, and because in my constituency I have Punch Taverns, Spirit Group and Marston's, a family brewer that also owns pubs.

I think we all agree on the need to clean up the pub companies' act and the way in which tenants are treated. None of us disagrees on that, and we all want to see healthy and vibrant brewing and pub industries. I do not defend the actions of some pub companies, as uncovered by the Business, Innovation and Skills Committee, but although the hon. Member for West Bromwich West (Mr Bailey) said earlier that he was concerned that pubs are over-regulated, his solution was to increase the regulation on pubs.

Mr Bailey: I did not say that pubs were over-regulated; I said that they were highly regulated by pub companies, and that a statutory code would release pubs from some of that regulation.

Andrew Griffiths: I think we both agree that pubs are highly regulated, but I assert that introducing a statutory code would increase regulation. We want to allow anybody taking on a pub to have access to information, we want transparency, and we want them to understand what they are taking on when they take on their pub.

Dan Rogerson (North Cornwall) (LD): It is absolutely right to point out those in the pub sector and brewing industry who are doing all they can to create a thriving industry and to secure jobs, but we need the backstop of regulation. It should not be brought to bear daily in every pub throughout the country, but I believe that if we have a review in the autumn, it will prove that the threat of such regulation is necessary to ensure that the worst practices in the industry are ruled out.

Andrew Griffiths: I agree that we may well wish to consider a review in future, but as for the idea that we should bring in new regulation and new requirements

[Andrew Griffiths]

and then, within just a few months, review them again, I worry that companies will be concerned more about the review than about implementing the changes themselves.

Mr Binley: Will my hon. Friend give way?

Andrew Griffiths: I have given way twice already, so I shall continue, if I may.

We have to be careful what we wish for. More mature Members will be fully aware of the beer orders—well-intentioned regulation to improve the lot of publicans and pubs throughout the country, which, I argue, got us into this situation in the first place. We have to be careful before we reach for the lever of regulation, because once it is imposed, the costs, burdens and unintended consequences are there for everyone to see.

We all recognise that pubcos are drinking at the last chance saloon, but today I heard the accusations made against the BBPA and I am, quite frankly, staggered. Hon. Members have mentioned several small family brewers, but all are members of the BBPA. It is not some sinister organisation, and although it is made up of pubcos, it also includes family brewers from up and down the country, so the idea that it has some sinister hand on the Minister's shoulder and is influencing him in an underhand way is blatant nonsense, as is the idea that the Minister should develop policies for the brewing and pub industry and not have a proper dialogue with the biggest trade body in the industry.

We have a proposal to bring in a tough industry code. It will provide transparent information as a matter of course to anyone who is thinking about taking on a pub, and provide people with legal redress. The code will now be legally binding, so anybody who finds that their pub company or family brewer has not upheld the code will be able to have their case heard in court. There will be a process of arbitration so that anybody who feels that they are being dealt a bad hand by a pub company or the pub industry can have redress through independent arbitration. Those are the things that any tenant who feels hard done by requires to get the assistance and redress that they need. Most importantly, that will be delivered through self-regulation, which I believe will be cheaper, more cost-effective and speedier in producing remedies. We can all point to Departments that have brought in regulation or arbitration that has not worked. We do not have all the answers in government. It is far better to allow the industry this last chance to get its act in order.

Finally, the idea that the tie is the only thing that is leading to the closure of pubs is blatant nonsense. Yes, it is an issue, but we have to consider the impact of people's drinking habits, the power of below-cost selling by supermarkets, and the red tape and regulation that we have loaded on to pubs. We should not for one minute think that if the motion were passed and the Government introduced the statutory code, it would solve the industry's problems. It patently would not.

1.31 pm

Paul Murphy (Torfaen) (Lab): I am grateful for the opportunity to speak in this important debate. I pay tribute to my hon. Friend the Member for West Bromwich West (Mr Bailey) for securing the debate, and to the hon. Member for Leeds North West (Greg Mulholland) for the tremendous speech he gave and for the work that he has done over recent years.

The work of the Business, Innovation and Skills Committee has been a model for what a Select Committee should do, not only under the chairmanship of my hon. Friend the Member for West Bromwich West, but under that of the hon. Member for Mid Worcestershire (Peter Luff). The Committee is absolutely right to point out the inadequacies of the pub companies system, and in trying to bring the Government to account and asking them to do what is right. The report, which I have read a number of times, shows the tenacity, doggedness and hard work that members of the Committee put into the investigation. My hon. Friend the Member for West Bromwich West is right that landlords and tenants across the country will be interested to see what happens at the end of the debate and to hear Members' contributions.

Kevin Brennan: The hon. Member for Burton (Andrew Griffiths) said that pubcos were drinking at the last chance saloon. Given how long the Select Committee has been working on this matter and how long that metaphor has been used, does it not seem that the last chance saloon is somewhere where time is never called?

Paul Murphy: I agree entirely with my hon. Friend. He and I have drunk in many pubs together over the years, and understand the importance of that.

I entirely support the recommendations and conclusions of the Select Committee, including a statutory code of practice, a free-of-tie option and an open market rent review with an independent adjudicator. What comes through in the report is the frustration and loss of patience of Committee members with the pub companies. I hasten to add that we are talking not about our family brewers, such as Brains in south Wales, which are respected and good employers with good public houses, but about companies that lack transparency in what they do, and did not impress the members of the Select Committee when they gave evidence. A cursory glance at the evidence given to the Committee shows how the pub companies tried to evade and wriggle out of the important issues.

Greg Mulholland: Does the right hon. Gentleman find it odd that the first response of the Department for Business, Innovation and Skills to this wonderful Select Committee report was to rush out an invitation to the pub companies to a meeting to talk about how to circumvent the report?

Paul Murphy: I was not aware of that. I know that the hon. Gentleman has done a great deal of work on these important issues using freedom of information requests and so on. It is obvious that the Government must speak to the trade association—it would be daft if they did not. However, there is a difference between speaking and listening to the members of that association and engaging in one of the biggest acts of plagiarism that we have seen in responding to the Select Committee. The Government appear to have put into their sloppy response the wishes of the pub companies in their entirety, including the typing errors. That was a great disappointment, because it was clear that all Front Benchers agreed that there should be a statutory code of conduct and with all the other issues that the Select Committee put forward.

I have been looking at this matter for three to four years in my constituency. Every Member will have examples of tenants, landlords and publicans in their constituency who have come to the end of their tether with the way in which they are treated by the pub companies. In my constituency, Mr Phil Jones, the landlord of the Open Hearth public house in Pontypool, has been a doughty fighter on this issue. He has given evidence to the Business, Innovation and Skills Committee and its predecessor. He has shown how shamefully the companies have treated their tenants. It is about time that changed. Like many of his colleagues up and down the country, he has shown Members of Parliament the personal tragedy and misery caused by the way in which those systems operate.

The Government have to change their mind. Outside in the country, there is a genuine desire for tenants and publicans across the country to be treated fairly and properly. There is no doubt, as my hon. Friend the Member for East Lothian (Fiona O'Donnell) has said, that public houses play a tremendous part in our national life and a huge integrated part in our communities. I hope that the Government will listen to Members across the House, change their mind and implement the recommendations of the Select Committee.

1.37 pm

Andrew Stephenson (Pendle) (Con): I congratulate the Backbench Business Committee on granting this debate and the hon. Member for West Bromwich West (Mr Bailey) on his efforts to secure it. I am a great fan of the British pub, so much so that I live next door to one and have worked shifts behind the bar at three of my local pubs over recent months—the White Swan in Fence, the Four Alls in Higham and the George and Dragon in Barrowford.

As many Members have said, the future of the pub looks far from rosy. UK pubs are in crisis, with 25 closing every week. Pubs are under pressure for many reasons, including the tough economic times that we are in, rising beer prices and taxes, and below-cost sales of alcohol in supermarkets, which I am particularly against. I believe that there is increasing evidence that the beer tie, as operated by the large pub companies, plays a significant role in the decline of the pub trade. I point out explicitly that I am referring only to the behaviour of some large pub companies that own more than 500 pubs, not to family-owned breweries, which tend to act much more responsibly.

In my constituency of Pendle over the past few years, seven pubs have closed in Brierfield, five in Barnoldswick, seven in Nelson, three in Colne and numerous others in the surrounding areas.

Andrew Griffiths: We want to keep more pubs open and to stop pubs closing. Does my hon. Friend agree that all the evidence shows that free houses are closing faster than tenanted pubs?

Andrew Stephenson: The evidence that I have seen does not suggest that. In my area freehold pubs have certainly been able to buck the trend and survive because they have additional flexibility in the products that they can buy and in the other costs of the pub. I have seen some of the practices of the pub companies hindering rather than helping the pub trade in my area.

Karen Bradley: I should like to add my personal experience to the debate, because I am the daughter of a publican who was tied to a large pubco but now runs a free house. I can reassure my hon. Friend that having a free house is a much more favourable position, and that being free of the beer tie is very important.

Andrew Stephenson: I could not agree more with my hon. Friend. That is why I am speaking in support of the motion's call for a statutory code for pub companies, despite the fact that I am normally in favour of voluntary regulation.

A case in point in Colne, where I live, is the North Valley pub, which closed about two years ago. Like a number of pubs in Pendle, it was owned by a large pub company that completely refused to reduce the rent, although the landlord was experiencing vastly reduced sales, partly because of the tough economic times and the smoking ban. I am sure that if there had been an open market rent review and an independent adjudicator, that pub would still have been open today, but instead the landlord had to hand back the keys and the pub is now a plumbing merchant's premises. I am sure that the pub company involved would say that it was no longer viable, and that it was always going to close down in the long term, but I do not believe that voluntary regulation is delivering what we need. We therefore have to consider putting things on a firmer footing.

As things stand, the business model of large pub companies is based on extracting an inequitable share of profits through excessive rents and forcing tied landlords to purchase beer and other products at a premium of about 50% on open market prices. That figure has already been mentioned in the debate. Some pub companies, when they set their beer tie, seem to ignore local circumstances completely. From what I am led to believe, landlords in my area tied to Punch Taverns have to pay the brewery something between £1.32 and £1.56 per pint that they buy. In the town where I live, Colne, the Derby Arms sells Foster's and John Smith's for £1.49 a pint, and the Wallace Hartley and the Duke of Lancaster sell Foster's for £1.79. *[Interruption.]* Move up north. Some of the large pub companies are forcing their tied landlords to buy the product at a higher price than that for which other local pubs are selling it to the man in the street. That inevitably forces pubs out of business, because they cannot compete in the local market conditions. I therefore have no hesitation in supporting the motion and calling on the Government to reconsider self-regulation and stop the large pub companies abusing their position.

1.42 pm

Hugh Bayley (York Central) (Lab): York's pubs are part of the heritage of the city. Some of them have been open, welcoming guests and serving beer, for hundreds of years, whereas others have of course opened more recently, but they are all valued by local people and attract thousands of tourists to the city and contribute to the local economy.

I meet the members of the Licensed Victuallers Association in York from time to time to discuss business conditions, and recently I conducted a survey of 160 pubs and working men's clubs in my constituency. In their responses, the licensees were extremely critical of the relationship between lessees and pub companies, and one commented:

[Hugh Bayley]

"It's like me renting you a house for a market rent but telling you that you can only do your food shop in Harrods, ie: at top prices".

The beer tie, which of course covers a lot more than beer—soft drinks, peanuts and practically everything that a pub sells—is clearly anti-competitive and not in the consumer's interest.

The previous Government endorsed the then Select Committee's recommendation that, over a period of time, all existing and new lessees should be offered a free-of-tie lease with an open-market rent. In its recent report, the Business, Innovation and Skills Committee revealed that only 16% of new lessees and 9% of current lessees had been offered that, which is clearly completely unacceptable.

The Government's response is out of touch with the industry. We are told that the tie is a lawful practice, so that is all right. However, the Select Committee argues that there should be legislation to give lessees the opportunity of running a business without the tie. The Government's response also expresses the view that whether a lease or tenancy includes a tie is simply

"a commercial decision on the part of both parties."

That is like suggesting that the competition for road space between a juggernaut and a bicycle is a competition between equals. It is not a satisfactory response.

If one of the major clothing retailers decided to get into the business of renting out small shops, but restricted its tenants to selling only its own brands and then insisted on selling those brands to the tenants at double the market price, we would immediately say that it was anti-competitive, unfair and wrong, and we would not allow it, yet that is exactly the relationship between the pub companies and many of their lessees.

I wish to refer to one other issue, which is the retail price of alcohol in supermarkets and off-licences. In my survey, 76% of York licensees said that alcohol sales at supermarkets were the leading cause of their falling profits, and 96% thought that supermarkets should not be able to sell alcohol at cheap rates. Indeed, 70% wanted a minimum retail price for beer sales on licensed premises.

Before the general election, I wrote a chapter of a policy pamphlet in which I proposed a minimum retail price for alcohol on health grounds. I suggested a price of 50p a unit, which would equate to £3 as the minimum cost of a bottle of wine, or £1 for a pint. Pubs would not go out of business if we had a minimum price of that level; nor would it prevent people on modest incomes from going to a supermarket and buying an occasional bottle of wine or beer to enjoy. However, it would stop the sale of alcohol as loss-leaders by supermarkets, which is doing so much damage to both pubs and public health.

I believe that the Government's response is intellectually incoherent. They say that there is no need for legislation on the terms of leases, because they affect lessees rather than consumers. Yet on the subject of the beer tie, they propose taking no real action because it would affect consumers rather than lessees. They should concern themselves both with the viability of pubs as businesses and the rights of consumers, but they fail to do either of those things in their response.

1.47 pm

Charlotte Leslie (Bristol North West) (Con): I congratulate the Backbench Business Committee on bringing the debate forward. It is massively important, because as I think we all agree, pubs play an incredibly important role in our society. If we are to talk about the big society, we should recognise that an awful lot of charity ventures and community groups and activities involve a pint, whether of beer or orange juice, at the local pub at some point.

The subject is massively important also because pubs are a place for social, intergenerational drinking rather than the isolated drinking that very cheap supermarket alcohol can often encourage or the antisocial behaviour caused by preloading—kids drinking a lot before they go out. Pubs are important for all sorts of reasons, as I know we all agree.

The issue of the beer tie is one part of the equation that is leading to many of our pubs closing. Although we must recognise the importance of that, we must also recognise the other factors in the closure of pubs, which have already been mentioned. Cut-price supermarket alcohol is a massive one and social changes are another, and there may also be things that we can do about business rates and licensing to help to create a level playing field for pubs.

Greg Mulholland: Of course there are a number of factors affecting pubs, but when we compare a tied pub and a free-of-tie pub, we see that the fundamental difference that shuts a tied pub is the pubco's unreasonable terms.

Charlotte Leslie: I thank my hon. Friend for that, and I am just coming to the role of the pub tie and the pub companies.

It is a shame that there seems to be a lot of distrust among the various factions about how the Government's response to the Select Committee has come about. I know that figures have been put forward stating that non-tied pubs close faster than tied pubs, but those figures are in dispute because tied pubs tend to be sold to developers before they close down, so they are not listed as tied pubs by the time they close down. There is also the issue of large businesses reporting business failures. There are therefore doubts about the statistics on whether a pub is better off being tied or non-tied.

Greg Mulholland: To be clear, the CGA Strategy figures, which no one disputes, show that between December 2008 and June 2011, the number of tied pubs fell by 3,216, and that in the same period the number of free-of-tie pubs increased by 425. Does the hon. Lady agree that it is baffling that the Department for Business, Innovation and Skills simply accepted the British Beer and Pub Association's misleading representation of those events, which, as she says, omitted transfers that happen, in some cases deliberately to distort the figures?

Charlotte Leslie: It is very obvious—this is crucial to the debate—that there is a strong feeling that the response was unilaterally informed. I am not in a position to say whether that is the case, but it is difficult for the Government's response to have authority, particularly on such an important issue, when there are allegations that it was overly unilaterally informed. I take my hon.

Friend's point. The dispute over the figures is very much a case in point. Another result of the beer tie is the substantially lower earning of the publicans who try to manage those pubs.

That is statistics, but anecdotally—we are all very aware of the limitations and strengths of anecdotes—we hear of people opting out of the beer tie to find their rent increasing. Publicans who have been in the business for a long time and who took on pubs under big companies 20 years ago report how much more restrictive pub companies have become in recent times. Given the upward slope that pubs face in making themselves viable, that seems a counter-intuitive direction for pub companies if they want pubs to succeed.

Other areas of distrust that are not at all helpful to the debate include disputed membership of the Pub Independent Conciliation and Arbitration Service, which my hon. Friend the Member for Leeds North West (Greg Mulholland) also mentioned.

I shall vote for the motion. Given the lack of success of self-regulation in the past, there is a question mark over whether it will work in future. I am not one to run for more regulation—there are lots of unintended consequences.

Mr Binley: Is it not true, however, that there is no regulation, because the voluntary code is supposed to be put into practice in its entirety? The argument that a statutory code means more regulation simply suggests that the voluntary code is not being followed.

Charlotte Leslie: My hon. Friend makes a good point. One issue at stake is the efficacy of a voluntary code. Although there might be problems with the timing of a review, a review of the kind of voluntary code that the Government have suggested would be extremely valuable—it will set in place many of the issues that we are discussing.

I do not want to take up too much time because lots of hon. Members want to speak. As a Conservative on the Government Benches, I do not believe that regulation is always the answer, but it is sometimes. It must be looked at—it cannot be dismissed out of hand out of religiosity. I also believe that if a business model is not sustainable, it must be allowed to fail. However, the key thing is that pubs face an uphill struggle—it is not a level playing field—in so many aspects of their operation. Looking at the relationship between pub companies and publicans is just one factor in levelling out that very uneven playing field, which has devastating effects on community cohesion not only in rural communities, but in communities all over the country.

1.53 pm

Caroline Lucas (Brighton, Pavilion) (Green): I congratulate the hon. Member for West Bromwich West (Mr Bailey) on securing this important debate and commend the excellent Business, Innovation and Skills Committee report.

It is deeply worrying that the pub market in the UK has become so dominated by just a handful of companies. Tenants are being ripped off by those companies, which can overcharge for beer because the tenants are tied to them. The pub tie has been instrumental in hundreds of successful local pubs going to the wall, which continues.

Lessees can currently buy only a limited range of beer, often at inflated prices, which restricts pub goers' choice, prevents small local brewers selling to such pubs and remorselessly accelerates the number of pub closures. That scandal must stop. The Chair of the Committee has reminded the House in both his motion and his speech that the Secretary of State promised action to save our pubs if the industry did not get its house in order, but neither the industry nor the Secretary of State has delivered. That is why this debate is so important.

I welcome the introduction of a new arbitration service, and requirements to follow rental guidelines and to publish national wholesale price lists, but the package as a whole will do little to stop pub closures or to provide meaningful support for sustainable local community pubs.

Greg Mulholland: Apart from concerns about the misrepresentation of PICAS, does the hon. Lady share licensees' concerns that although PICAS is set up to be an independent arbitrator, it will be funded and controlled by the British Beer and Pub Association, and therefore the pub companies?

Caroline Lucas: That is a good point. I was trying to find something positive to say, but the hon. Gentleman is right that there are concerns about that aspect.

The Government's response has failed to address the key issues of providing lessees with a genuine free-of-tie option. It will therefore not rebalance the relationship between struggling licensees and large pub companies. I am also concerned that even the limited package that has been announced will not actually be delivered, given the pub companies' history of broken promises and abandoned commitments.

As other hon. Members have said, pubs are central to our communities. Chris Beaumont, the landlord of The Greys in the Hanover area of my constituency, tells me that his is the only pub in the area that has not closed and reopened in the last nine years. The London Unity has had three owners in two years, The Geese has changed hands four times in six years, and the Horse and Groom recently closed and reopened. In the pub trade, such closing and reopening is known as churn. Churn matters, because it means ruined livelihoods for the individual landlords and their families. It also means instability for our pubs and our local economy. It takes years to build up a great community pub. A high turnover of pub landlords as pubs regularly close and reopen sends out a negative message that times are not good and that it is difficult to survive in an area, which clearly does not help other local businesses. The tied scheme was a significant factor in all the closures I mentioned, but the pubcos would prefer that we did know about it: the data on pubs that close do not tell of pubs that close and reopen.

The other thing that pubcos are less than honest about is that when they sit down and negotiate with lessees, they claim that lessees can always be free of tied options, yet often fail to mention that they must pay a premium to qualify for that. On wines and spirits, the charge is between £4,000 and £5,000 extra per year. It is a similar amount for bottled beers. To put that into context, the typical annual rent for a pub tenant in Brighton is around £25,000 a year. Pubcos are therefore essentially extorting an additional 20% increase

[Caroline Lucas]

on the rent to free landlords from the tie. Furthermore, pubcos do not generally offer an untied option on draught beers or lagers.

The Government must listen to lessees such as Chris and the many others in my constituency represented by the Brighton & Hove Licensees Association. They are all deeply worried and believe as I do that it is high time the Government acted to protect community pubs and lessees. Pubs are pivotal to the economy and the tourist industry, so the health of the sector has a particular resonance in my constituency.

Mrs Anne Main (St Albans) (Con): The headquarters of the Campaign for Real Ale is in my constituency, and we host the annual beer festival. I completely concur with the hon. Lady on the importance of tourism and pubs together. Tourism and pubs mean not just casual drinking, but major economic activity in the local area, and she is right to highlight that.

Caroline Lucas: I thank the hon. Lady for her intervention. I agree that pubs are good not just for the community, but for the local economy—in fact, they are often essential to it.

In Sussex, for example, we have an impressive range of local breweries, including micro-breweries. If they are to thrive, we need to change the situation that has arisen with ties. We must not allow big business to continue to wield such unfair power over pub lessees by restricting access to locally produced ales. We must make it possible for local brewers to sell their beers to local pubs. Without statutory regulation to ensure fairness, a huge part of the potential market for our local ales is closed off.

If the Government act to protect and promote real community pubs, they could begin seriously to promote a strategy to encourage responsible drinking and the enjoyment of local ales, ciders and other drinks.

I fully support CAMRA's championing of functioning and well-run community pubs. An effective approach to reduce alcohol-related harm must involve support for good community pubs, which provide a safe and responsible place for people to drink. Therefore, parallel to the statutory code of practice described in the motion, our community pubs should be supported with a policy of minimum pricing of alcohol in supermarkets. That would begin to tackle seriously the problems caused for our pub trade, and indeed for wider society, by the off-sale of cheap alcohol, which is often low quality. I accept that is a topic for another debate, but it is not unrelated to the intention behind today's motion, which is to protect our community pubs.

In conclusion, I fear that the Government are being cavalier in rejecting the recommendations of the Business, Innovation and Skills Committee and instead putting their faith in the very companies accused of malpractice to put their house in order finally. The future of community pubs is at stake, so, in common with many other Members, I call on the Government to eschew the grasp of the large pub companies and instead to champion, protect and increase the number of local pubs. The tied pubs in Brighton, Pavilion want to know when the Business Secretary will keep his promise. We need a statutory solution that better reflects the wishes of all publicans and pubcos, as well as the careful work of the Business, Innovation and Skills Committee.

2 pm

Peter Aldous (Waveney) (Con): I am grateful to the Backbench Business Committee for granting this debate and to the hon. Member for West Bromwich West (Mr Bailey) for securing it.

Before I came to this place, I spent 27 years as a chartered surveyor. During that time, I carried out rent reviews on most types of business properties, although my experience with licensed premises was peripheral. Underpinning most rent review valuations is a requirement to assess the open-market rental value. That is the best way of establishing a rent that is fair to both parties, providing landlords with a fair return on their investment and tenants with a reasonable opportunity to build a sustainable business into the long term. If the two parties are unable to agree, the matter is referred to an arbitrator or an independent expert.

It is bizarre that a procedure that is routine for the vast majority of business people who lease premises is not available to a particular group: pubco tenants. Research produced by CAMRA shows that such publicans are at a considerable disadvantage compared with non-tied operators. They are worse off financially and work harder for a lower return, normally burning the midnight oil, tackling red tape and filling in the dreaded VAT return.

The tied system has some advantages in that it can provide an opportunity for people to set up their own businesses without having to raise large amounts of capital, and it continues to form an important part of many family brewing businesses. However, it should have the potential to act as a stepping-stone, with people then moving on to own their own businesses, as we heard from my hon. Friend the Member for Staffordshire Moorlands (Karen Bradley); it should not drive people out of business altogether.

The tied system was devised in a different era, which is long since gone, when the pub market was dominated by many family brewers, who wanted to ensure that their pubs sold their beer. Those brewers had a vested interest in ensuring that their pubs were well run, and landlords duly received support. In return, they bought their beer directly from the brewers, with no middleman in between. Many of those breweries were household names, but they have long since gone. Tollemache, Cobbold, Lacons, Bullards and Manns owned pubs across Suffolk and Norfolk. Today, only Greene King and Adnams remain, along with micro-breweries such as Green Jack in Oulton Broad in my constituency. Greene King and Adnams continue to run their tied houses well and successfully, but the market is now dominated by pubcos, which do not brew their own beer; they are middlemen taking their margin, and they have different business objectives from the family brewers. Given those changes, it is appropriate that the tied system should be reformed, and the proposals in the motion appear sensible and logical.

As we have heard, there are other issues that need to be addressed: the taxation of beer; the reform of licensing laws, which, since 2003, have made it more difficult to play live music; and the below-cost sale of alcohol by

supermarkets. However, for me as a chartered surveyor, there is one other subject that needs to be addressed: the rating system. Many publicans scratch their heads over how the Valuation Office Agency has arrived at such a high rateable value assessment for their properties. The art of rating valuation has, I am afraid, become totally abstract and distant from reality. Town centre drinking barns, which are subject to a different rating regime, seem to have an unfair advantage over community pubs. That anomaly needs to be addressed, but that is a debate for another day.

Mr Davey: I wanted to intervene on the hon. Gentleman before he finished his remarks, because he is a chartered surveyor. I therefore invite him to welcome the fact that, in our negotiations with the BBPA, we secured a strengthening of the industry framework code, which will specify that all rent review assessments must comply with Royal Institution of Chartered Surveyors guidance, and that rent assessments for new full repairing and insuring leases must be signed off by a RICS-qualified individual.

Peter Aldous: I am grateful to the Minister for giving that clarification.

In the meantime, let me conclude by saying that although there are other issues that need to be addressed to enable pubs to compete on a level playing field, we have an opportunity to address an iniquity that, in many respects, is leftover from a bygone age. I therefore support the motion.

2.5 pm

Paul Blomfield (Sheffield Central) (Lab): I represent a constituency that includes 197 community and city centre pubs, as well as five breweries. Almost 4,000 people are employed in the industry in one way or another. I cannot miss the opportunity to point out that CAMRA held its last annual conference in Sheffield and, in effect, endorsed us as the real ale capital of the country, praising our unrivalled choice of real ales and pubs—I challenge the Minister to come and sample some of them. I am also a member of the Business, Innovation and Skills Committee. Furthermore, in one of my jobs before being elected to this place I ran a £5 million licensed operation consisting of several bars and pubs.

We are talking about a sector that employs about 500,000 people in 54,000 pubs. As the hon. Member for Pendle (Andrew Stephenson) said, the sector is in crisis, with about 25 pubs closing every week. We know that, and we see it in our communities. As several Members have said, that is a loss to not only the landlords and the people who work in the pubs but the communities.

As the hon. Gentleman said, there are several reasons for those business failures, but a key factor is the way in which the big companies, which own almost half our pubs, squeeze unreasonable returns out of their landlords to support their own flawed business model. To respond to a point made by the hon. Member for Bristol North West (Charlotte Leslie), it is that business model that should be allowed to fail, not the business model of the individual small business men and women who run the pubs.

It was not supposed to be like this, and those behind the 1989 beer orders legislation cannot have expected such an outcome. The legislation was supposed to open up the market to give small players a better chance; instead, the big corporate interests regrouped, and seven pub companies now dominate the industry. However, Parliament has responded, as has been said. In 2004, the Select Committee on Trade and Industry highlighted concerns about the unhealthy and unbalanced relationship between pub companies and their lessees. Five years later, the Select Committee on Business and Enterprise revisited the issue, concluding that little meaningful reform had taken place.

As several Members have said, that was accepted by the then Labour Government. When the Business, Innovation and Skills Committee report was published in March 2010, the then pubs Minister, my right hon. Friend the Member for Wentworth and Dearne (John Healey), gave notice to the pub companies that if in the Committee's view the voluntary code was not working as well as it should be by 2011—this is crucial—the Government would put it on a statutory basis.

The coalition maintained that commitment. When the Secretary of State was questioned in July 2010 by the hon. Member for Northampton South (Mr Binley), who is the deputy Chair of the Business, Innovation and Skills Committee—he is a relentless champion of small business, and I am sorry he is not in his place to hear me say that—he confirmed that commitment. He said that pub companies were "on probation" from the Committee and that "the commitment is to give them until 11 June and if they have not delivered a more satisfactory arrangement then there will have to be legislative action." So, in 2011, the Select Committee reviewed the position and gave the Government its report on the industry's probationary period. In our report, Members from all three parties represented on the Committee agreed that there had been

> "a process of implementation which can only be described as half-hearted".

We also found that the

> "BBPA (British Beer and Pub Association) has shown itself to be impotent",

and that there had been

> "a lack of meaningful sanctions".

We concluded:

> "This latest attempt at reform has failed...We therefore conclude that the reforms do not meet the test set by our predecessor committee."

That should have been the end of the matter; following several years of consideration by successive Select Committees and clear pledges from successive Governments, the time had come for legislative action and a statutory code.

At that point, however, the Government reneged on their commitment and put the corporate interests of the big pub companies before the interests of the small business men and women who run our pubs, and before those of the consumers who use them. Not only did the Government make the wrong call following our report; appallingly, it became clear—thanks to the work of the hon. Member for Leeds North West (Greg Mulholland)—that they had already made their mind up before receiving our verdict. The Minister should be held to account for that. The industry needs action now, and I support the motion.

2.10 pm

Stephen Lloyd (Eastbourne) (LD): Pubs are a significant feature in all our constituencies. In Eastbourne, when people ask where I live, I say, "Just up the road from the Lamb", and everyone knows where I mean. That is just a small way of illustrating how valuable pubs are across the UK.

I pay tribute to the hon. Member for West Bromwich West (Mr Bailey) for securing this debate, and to my hon. Friend the Member for Leeds North West (Greg Mulholland), who has been leading on this issue for a number of years.

Before becoming an MP, I had observed over the past 10 years or so a rapid decrease in the number of pubs. Since coming to the House, I have received representations from publicans and constituents in Eastbourne, and I have carried out some research. Much of what I was going to say has already been said, and I shall not repeat it, but I want to mention some research by the Institute for Public Policy Research. My hon. Friend the Member for Leeds North West and many others today have expressed with passion the fact that we have visited this issue on numerous occasions, under the previous Government and this one. The same issue keeps coming up, and the Select Committee keeps working away at it, focusing on what needs to be done. The Government of the day listen, say that they will do something about it, and then do nothing. The reason that we have to keep coming back to it is that the major players behave deplorably; there is no other way of putting it.

The more I researched the matter over the past few months, having spoken to my hon. Friend the Member for Leeds North West, the more I kept asking myself, "What is going on? What other industry would keep saying that it was going to do something, yet keep breaking its word?" Then I thought, "I've got it! It's investment banking!" I am very much a business-wing Liberal, and, like my hon. Friend the Member for Pendle (Andrew Stephenson), who is not in his place, a great believer in light-touch regulation. There are exceptions to every rule, however. I do not like light-touch regulation for investment banks, because that is what got us into the mess we are now in. Nor do I think that the argument not to regulate the pubcos stacks up.

Duncan Hames (Chippenham) (LD): It sounds as though my hon. Friend, like me, hopes that the motion will be successful today. He has had a great deal of experience working with the Federation of Small Businesses. If he were giving business advice, would he ever advise someone to become the tenant of a pubco?

Stephen Lloyd: My hon. Friend is so right: a lot of the work that I did for the FSB before coming to the House involved meetings with landlords who had pubco tenancies. Some of the meetings were among the most desperate I have ever had, because those people were getting absolutely nailed by the pub companies. So, to be perfectly honest, I would not advise anyone to become a tenant under the present criteria. That is absurd, because I am massively pro-small business; it is precisely that sector that is going to get us out of this economic mess. At the moment, however, the playing field is much too uneven, and something really has to be done.

Let me cite the recent research by the IPPR, which was called "Tied Down". It talked to 550 publicans, and some of the resulting figures are quite startling. It found that 57% of those subject to the ties that oblige tenants of the big pub groups to buy beer from them were struggling financially, compared with 43% of non-tied landlords. That is a difference of almost 20%. The IPPR's associate director, Rick Muir, said:

> "Thousands of publicans across Britain are being put under significant financial pressure by the 'beer tie'. Our survey of publicans shows that they have suffered worse through the recession because of this tie. A recent select committee report shows that the higher prices tied publicans have to pay for their beer are not adequately compensated for by lower rents."

That is why we need regulation. The original theory was that the publican would pay a lower rent because of the tie, but some of those absolutely deplorable companies got themselves into such a mess financially because they were so heavily leveraged in debt that they leant on their tenants to a quite disgraceful degree, and lifted the rents hugely.

The time has come for the Government seriously to look at regulation. I could, just possibly, be persuaded to give the companies nine months and review the situation in the autumn, but this has been going on for years, and I would urge the Minister to agree to a review. Furthermore, he should publicly state on behalf of the Government, in the Chamber, that if the pub companies do not come up to speed this time—and, my God, they have had so many opportunities in the last chance saloon—we will regulate.

It was noted earlier that pubcos have a lot on their mind at the moment, and we were asked whether we really needed to put them under this pressure. Well, yes we do. How many times are we going to allow them to say that they are going to do something, only for them not to do it? I urge the Government to tell them that if they have not come up with voluntary proposals within nine months, there will be statutory regulation. That is the compromise that I am prepared to accept. I know that the Minister has worked hard in this area, but if the companies do not change, to the extent that we have to regulate, they will have brought that upon themselves. I urge the Minister to take action.

2.17 pm

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I should like to praise the hard work of the hon. Member for Leeds North West (Greg Mulholland) on this issue over many years; it has been well documented. I also want to congratulate my hon. Friend the Member for West Bromwich West (Mr Bailey) on securing this debate.

Licensees in my constituency are getting a poor deal from exploitative pubcos, and the Government have to act. At present, on this issue the Prime Minister is dodging his round at the bar. Louise Gibben of the Huntsman in Guisborough in my constituency has told me that, after paying Enterprise Inns £20,000 a year in rent, plus her overheads, her business rates and her Performing Rights Society licence, she is left with next to nothing. That is not because of a lack of hard work, or because the pub is of poor quality. Indeed, new local customers have documented the fact on a website that her staff are "great" and that she has made

> "every effort to make the pub a success"

by serving meals and making it a family-friendly environment. Unfortunately, however, the rep for Enterprise Inns has told her to try harder.

Sadly, this situation is not unique to Louise. She is not the only one who is struggling to keep her pub afloat despite the rent and contractual conditions imposed by a pubco. For example, nearly 30,000 tenants face the problem of being tied to a specific brewery as part of their tenancy. While tenants are struggling to survive and pubs are closing, pubcos are still reporting millions of pounds in profits. Enterprise Inns, for example, reported a pre-tax profit of £157 million last year, despite the harsh prevailing economic circumstances, yet its tenants in my constituency are struggling to maintain their livelihoods.

Large pubcos are not producing value; they are exploiting the small business people who, through their own endeavours, are trying to make a living. It is also obvious to everyone that they are not giving their tenants the respect that they deserve. The Government have to act to ensure that relations between the pubcos and their tenants are fair. The self-regulatory framework that the Government are proposing does not go far enough. According to the Fair Pint campaign, it will not require any concessions by the pubcos, and it will result in very little, if any, change to the wholly unsatisfactory status quo.

The Government's measures might enjoy the support of the large pubcos, but I know that tenants in my constituency, as represented through the Independent Pub Confederation, feel betrayed and very disappointed by the lack of a genuine free-of-tie option accompanied by a review into open market rent. They feel that any self-regulatory framework will not help them to secure a fairer deal. We cannot trust these pubcos to regulate themselves. I urge this Government, for the sake of tenants and the future of pubs in my constituency, to ensure that any code of practice exists by statute rather than by the will of the people whom we wish to regulate.

2.20 pm

Mr Marcus Jones (Nuneaton) (Con): Pubs are not just places we frequent to buy beer; they are vital community hubs that can be fundamental to our lives. I can say that, given that I met my wife in a pub called the Chetwynd Arms in my constituency back in 1997. Given that it was in 1997, I conclude only that it was probably the only good thing to come out of that year. Since those heady days, we have lost much of that community heritage that our pubs give. At the moment we risk the continuing demise of the good old British pub. Part of the demise has no doubt been exacerbated by the relationship between the pubcos and their lessees.

History tells us that the arrangements between pubcos, lessees and tenants, which emanated from the break-up of the estates of the large breweries back in the 1990s, were not initially dissimilar to the situation that obtained under the breweries. Where the model differs tremendously, however, is that the pubcos are middlemen—yet another middleman between the product producer and the end user of the product. That has necessarily added costs over a number of years. The costs seem to have been met quickly by the tenants and lessees who have seen many changes over that period: metered pumps, tighter reins on guest ales, loss of machine income, reductions in the will to help with refurbishments—these are probably only a few of the additional burdens that lessees have had to face. We need to be aware that much of that stems from 1980s legislation in the context of the fundamental shift towards the large pubco estates that we now have.

I welcome much of the work done by successive Select Committees on the practices of pubcos, but I think we should be careful about what we wish for as we look to legislate now. We could end up out of the frying pan into the fire, because we are in a very different world today than we were when the Select Committee first considered this issue in 2004. Back then, pubs were still in decline, but there has been a huge aggregation of issues since. We have had the smoking ban, increased regulation on alcohol sales, beer duty rising by 35% over the last four years alone, below-cost selling at supermarkets becoming more prevalent and, to top all that, we have suffered the deepest and longest recession since the 1930s. These factors have no doubt strained even further relations between pubcos and their lessees.

Jason McCartney (Colne Valley) (Con): I thank my hon. Friend for giving way and would like to add to his list of other factors affecting our local community pubs. We heard about Performing Rights Society licences from the hon. Member for Middlesbrough South and East Cleveland (Tom Blenkinsop). There is also the cost of live television sport in pubs; one of my local landlords needs £800 a month to pay for that. My hon. Friend mentioned regulation a few moments ago. Does he agree that self-regulation of the pubcos is not working; will he join me and many other Members in supporting this motion and setting a timetable for the Government to look again at self-regulation?

Mr Jones: I thank my hon. Friend for his comments. I shall come on to the issue of self-regulation.

The relationship between pubcos and lessees has been exacerbated by external factors. That has not been helped by the fact that, as many hon. Members have mentioned, the pubcos are now greatly overleveraged. That leads me to be a little concerned about what we seem to be wishing for. The overleveraging of the pubcos makes the position very difficult for them in comparison with 2004, as the horse might now have bolted. Perhaps we should have done the legislating back then when the circumstances were different.

When it comes to the external factors I mentioned, there are many things—in addition to what the Select Committee report raised—that the Minister with responsibility for pubs and the Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey), who is to reply to this debate, need to look at and address. The Select Committee focused its mind on the relationship between the pubcos and lessees. That is important when we have reached a position in which the pubcos are looking at things in a different light, albeit not quickly enough for many lessees.

I believe that the voluntary measures put forward are positive and I welcome the industry framework code, which will be legally binding. I welcome PICAS, the three year accreditation code and the strengthening of the framework code. I particularly welcome having a new pubs advisory service. More advice, training and

[Mr Marcus Jones]

information is vital to potential lessees, who need to go into these businesses with their eyes fully open. Having the right training for the lessees going into them is important. Under the old breweries, most of the lessees coming into pubs as tenants had managed pub groups for many years. They knew their trade inside out. That is why they ran successful pub businesses. In that respect, there is a gap now.

Voluntary measures will be positive only if they are adhered to and only if PICAS has teeth and the pubs advisory service has more independence. That is why I fully support a review of these arrangements over direct, immediate regulation. I think we need to give more time to see whether the voluntary arrangements being put in place are going to work.

We must try to avoid making the mistakes of the past, which happened when the big breweries were broken up. Voluntary regulation is important. It must be monitored carefully, and we must not look to deal with this issue in a silo or depend only on this aspect to solve the problems that our community pubs face.

2.26 pm

John Pugh (Southport) (LD): I begin by paying full tribute to the Select Committee for its work, particularly for the sterling work done by the hon. Member for Northampton South (Mr Binley) and my hon. Friend the Member for Leeds North West (Greg Mulholland)—usually the quietest and most self-effacing of men. They have clearly been angered by this issue.

This seems to be a debate about two solutions to a commonly recognised problem—the unfair trading practices associated with the tie, and the relationship between tenants and the pubco. The problem is not one of competition, and it is not one of competition failure or consumer choice. It is connected with associated issues, which hon. Members have mentioned, such as the decline of community pubs, the decline of community cohesion and so forth—generally regarded as a social ill, except perhaps in temperance circles. What we are debating now is not necessarily connected with that problem, however, as free houses are also closing, disappearing and depriving their community of their benefit.

At its simplest, the issue is about the running of the tied pub and how it can be made uneconomic for tenants through unfair and non-transparent terms of trade. It has been suggested that this is not an unwelcome outcome so far as the pubcos are concerned, because they are short of capital and in some cases anxious to sell off. That the terms of trade are penal, non-transparent and arbitrary is simply not in dispute anywhere in the Chamber. It has been demonstrated by the turnover of tenants, who are coming and going all the time, by the Select Committee's reports, and by the Government's own undertakings to do something about what they have clearly identified as a problem. The issue that divides the House, if indeed it does divide it, is how to find a way out.

The Government are arguing for a non-statutory code, for fairly straightforward reasons. They dislike regulation in principle—they have said as much—they prefer effective self-regulation, and they believe that a non-statutory code represents a quicker fix. It clearly does not help that their favoured solution is also the favoured solution of the accused—the pubcos, in this instance—and that there has obviously been collusion in the refining of the suggestion, but that in itself does not invalidate the solution.

Mr Davey: My hon. Friend has made the serious allegation that there has been collusion with the British Beer and Pub Association. What evidence has he for that allegation?

John Pugh: I refer the Minister to the speech of my hon. Friend the Member for Leeds North West, who presented a fair amount of prima facie evidence that I think impressed the House. However, I want to do the Minister a favour here. It could be argued that the consent and co-operation of the pubcos will make any solution more workable—just as restorative justice is often preferable to sheer penal justice—especially if a self-regulatory code is given some legal significance, although, as other Members have pointed out, a statutory code would lead to more compliance and less legal recourse. That sounds pretty reasonable, apart from the fact that the Government clearly promised something else and have lost trust, and the fact that the pubcos have a dismal record of keeping to commitments, as the Select Committee's report made clear.

Overall, the Government's response represents the triumph of hope over experience, or of realpolitik over trust. There is a long and—as must not be forgotten—sordid history of a connection between politicians and the brewing industry over the ages, dating back to the time of Gladstone and before, with the tenant often perceived by the Liberals as the victim. Ultimately, this is the Government's call. If they ignore the Select Committee's advice, they will risk being considered untrustworthy; I think that that is inevitable now. They gamble on the good faith of the pubcos, but what if they are wrong? That is my main question to the Minister. If this is not a solution but in fact an evasion, statutory regulation must be the only conceivable answer.

Mr Dave Watts (St Helens North) (Lab): Is it not clear that in virtually every case self-regulation does not work, and that Governments are eventually forced to regulate for that reason rather than because they want or prefer to do so?

John Pugh: I think self-regulation might work sometimes. What we are debating is what will happen if it does not. What do the Government intend to do in that event? I think it incumbent on the Minister to state plainly that if self-regulation does not work, statutory regulation remains an option. If the Government have an objection in principle to statutory regulation, they must make it clear to the House, because that is the most honest and forthright approach.

Mr George Howarth (Knowsley) (Lab): I have been following the hon. Gentleman's argument closely. Does he agree—indeed, I think this is his conclusion—that if self-regulation is to work, the industry needs to know that if it does not in fact work, the Government will be prepared to follow up with statutory regulation?

John Pugh: I think that the Government must say that. The industry has been given a second, third, fourth, fifth, sixth, seventh—however many chances we

may care to cite. If the Government do not intend ever to introduce statutory regulation, they can and should say so at the Dispatch Box today.

2.33 pm

Justin Tomlinson (North Swindon) (Con): I pay tribute to all the Members who have shown a real commitment to supporting our essential network of community pubs. That is incredibly important, because we politicians are often accused of not debating issues that are discussed in pubs up and down the country. On this occasion, we can raise a glass to that.

My local brewery, Arkell's, which was established in 1843, is an example of good practice in terms of pub ties. I intend to describe the challenges that it faces, and then present my brief conclusions. Arkell's has about 106 pubs, many of which have tied tenants. That has several benefits. It allows low-cost entry, providing an easy way for someone who feels that his calling in life is to be a landlord to get into the industry; there are economies of scale, and the skills assistance and training which, in most instances, transform the "I think I would be a very good landlord" attitude into some form of reality; and, crucially, it enables an enthusiastic landlord to delegate a number of tasks that he may not himself wish to perform, perhaps preferring to focus on good customer service rather than dealing with the accounts, the portable appliance testing and the insurance.

Moreover, as a family brewery, Arkell's has a long-term commitment—historical and emotional—to local communities, and will make long-term investments. My local pub, the excellent Tawny Owl, is installing 85 solar panels which will have a 25-year payback return. Arkell's has the confidence that that is worth doing. When local community pubs start to struggle, it does everything it can to keep them going. Although sometimes a community will no longer wish to have a community pub and the pub closes, Arkell's considers itself to be a brewer first and believes it needs to sustain a network to sell its beer.

The head of the Arkell's family brewery is James Arkell. When I spoke to him, he highlighted that he felt the problem with the pubcos is that over the past 20 years the bond of trust has been broken. Many speakers have highlighted a number of the issues involved in that, including increasing costs and service charges, and lack of transparency, so that when an enthusiastic potential landlord signs up they are not 100% sure of what they are signing up to, as well as lack of support and aggressive changes in contract terms, often driven by the fact that the pubco has decided it no longer wishes to have that pub site as it will make more money if it sells it. Such behaviour is often driven by the fact that many pubcos are drowning in debt. They are accountable to shareholders, and therefore tend to make short-term decisions. I think that all Members agree that action was needed.

I welcome the voluntary code. One of its advantages is that it can be implemented quickly, but the Minister must make it clear that if the industry does not sort itself out and act responsibly, the voluntary code will be replaced by regulation. As a good, proud Conservative, I do not normally favour more regulation, however, so we must try to address this issue in the best way.

We must also be careful what we wish for, because we all seem to want both sides of the coin. At the end of the day, these buildings have to be paid for. As I have said, one of the advantages is that this is a cheap form of entry into the industry. What would people think if franchisees who operate under the McDonald's badge instead wanted to sell KFC because that might be more profitable? This has to work both ways, therefore.

We must continue to review progress, and the pub sector must know that we are doing so. We must then focus on the other issues affecting the pub industry, such as tax, red tape and training. Training is crucial because pub failures are often a result of poor-quality landlords. The next generation of landlords must be able to step up to the challenge and address problems such as the social changes of recent times. Fewer people are inclined to go to the pub, and people tend to go less often. Landlords have to be able to address such trends by providing food and offering quiz nights and sports opportunities. We must therefore look at hospitality management courses in universities and colleges. They train people to work in the restaurant industry, but they should also be proud to train them to work in the pub industry so that we have a new generation of pub landlords who can meet the challenge of protecting those valuable community assets.

2.38 pm

Damian Hinds (East Hampshire) (Con): The importance of this subject is clear from the number of Members present for this debate. That is unsurprising as pubs are an important part of being British; they are an important part of what holds us together and of what, literally, brings us together. This has been a difficult time for the licensed trade as a result of Sky TV costs and Performing Rights Society costs, as well as changing social habits leading to a decline in wet sales, combined with the underlying structural problem that prices go up by price inflation but the biggest cost, which is people, goes up by wage inflation. There are clearly far too many pubs closing in our towns and villages, and we need to find ways to stop that. Changing the tie arrangements is not the right way, however.

I should declare an interest: I used to work in the pubs and brewing business, but I no longer do so. The industry is built on partnerships between large companies and individual entrepreneurs. As my hon. Friend the Member for North Swindon (Justin Tomlinson) said, that brings many people into the business who otherwise would have no way in. However, whenever there are two businesses working together there is always potential for conflict, and this business certainly has its fair share of that. We should also make it clear that there are many happy tenants and lessees, however; not everybody is at loggerheads with their partners.

At its heart, the tie is a way of sharing risk between the real estate owner and the individual entrepreneur. Different sectors do that in different ways: they have franchise fees as a percentage of revenue, turnover-related rents or whatever it might be. In this sector, it just so happens that it is done primarily through the tie. Everything that I know about economics and business tells me that loading all cost on to fixed cost and de-variablising it would increase, not decrease, the number of business failures because of the increased operational gearing.

There is a somewhat false impression implicit in much of this debate—in the wider sense; not so much

[Damian Hinds]

today—that, were the tie to go, everything else would stay the same, so nobody's rent would go up. Of course, that is not true at all. There is a required return on every piece of real estate; the market expects a required return from quoted companies.

Martin Horwood (Cheltenham) (LD): Does the hon. Gentleman not accept that hardly anybody in this debate has asked for the tie to go? We are talking about rebalancing the power relationship between lessees and pubcos, so that there is greater incentive for pubcos to provide a more generous arrangement for small businesses.

Damian Hinds: The motion does in fact specify a "free-of-tie option". Many pub-owning companies would say that some sites are appropriate for leases—where the partner can build the value of the lease by building up the food business, for example—whereas others are more appropriate for a traditional tenancy-type business. The motion as stated would conflict with that approach.

In addition to that false implicit impression, there is a confusing conflation of tenants and lessees. On the one hand, we seem to be saying that this is only about very large pub companies that run leases; yet a number of those who have spoken in favour of that proposition have referred to the people in question as tenants. I am not entirely sure where the cut-off point of 500 sites comes from. It is possibly intended to target just a couple of companies, but frankly, coming up with a regulatory package for the whole industry is probably not the best way to do that. I fear that that would pull in a couple of other companies it is perhaps not intended to target.

Most importantly, there is little evidence that I know of that traditional, smaller, integrated brewers have any difficulty with the tie, which suggests to me that there is no problem with the tie per se.

Mr Davey: My hon. Friend is right, and that is one reason why the Government response made a big distinction between the tied tenancy model and the leasehold model of full repairing and insuring leases, with which most, if not all, of the real detriment and problems have occurred.

Damian Hinds: The Minister is correct, and that is indeed in the Government response. Unfortunately, the BIS Committee report, which is a fantastic report and to which we are to some extent referring, does not make that distinction quite so clearly.

What should we do if the tie is not the answer? Let me start with what we should not do. The Government response puts it rather well:

> "Government should not intervene in setting the terms of commercial contractual relationships"

where, according to the OFT, there are no competition issues that significantly affect consumers; and

> "whether or not a lease or tenancy includes a tie is a commercial decision on the part of both parties."

Mr Binley: Will my hon. Friend give way?

Damian Hinds: I am afraid not.

We do need to make sure that there is fairness and transparency and that properly informed people come into this business. On fairness, I welcome the commitment in the new framework code to having no more upward-only rent reviews in full repairing and insuring leases. On transparency, I welcome the commitment to publish national wholesale price lists, although I am not quite clear how that would work. In this business, where pricing is a complex art, wholesale prices are not necessarily that much use unless the actual prices charged and tariffs are known. My hon. Friend the Member for Stratford-on-Avon (Nadhim Zahawi)—he is not with us today—suggested to the Select Committee that, through the medium of the internet and the wisdom of crowds, it might be possible to use these data in ways hitherto not possible.

I also welcome the industry's commitment to look again at common formats for shadow profit and loss accounts to make it easier to compare different pub owners. I agree with the predecessor Select Committee's finding in 2009 that all the information on a pub's trading history should be available to the potential licensee. However, it is also important that we understand the limits of that. Pub companies will say that they would love to know a lot more about the trading history of various sites, often having limited sight of that information. We need properly to inform people who are going into the business. I welcome the pre-entry awareness training, but I also agree very much with the Committee's judgment that we need deep vigilance on its quality. None of that invalidates the tie.

If we want to be totally focused on keeping pubs open, as I believe all hon. Members do, we have to address two fundamental things. The first is pubs competing on price, partly against the supermarkets, but also, as some hon. Members have said, against managed houses, particularly urban "vertical drinking establishments", as they are known in the trade, which often severely undercut the traditional tenanted trade. The second is alternative usage value, as one way of keeping pubs open is to make it harder and more expensive to secure a change of use for these premises. That will focus minds on making sure that companies are supporting sustainable businesses.

2.45 pm

Martin Horwood (Cheltenham) (LD): I congratulate the hon. Member for West Bromwich West (Mr Bailey) on promoting today's motion. He is a fellow Robins fan, and I know that he, like me, will have wanted to toast, in a pub somewhere, Cheltenham Town's phenomenal, confident performance against Spurs last week—but as he rightly points out, the choice of pubs is becoming much more limited. That is happening for many reasons, but the pub tie is clearly one of the factors contributing to pub closures.

I promoted a private Member's Bill on this subject last year. It received very wide cross-party support, and that same level of cross-party support has been evident in the backing for early-day motions; the all-party save the pub group, ably led by my hon. Friend the Member for Leeds North West (Greg Mulholland); the Select Committee reports that have repeatedly set a timetable, which has now passed, for introducing a statutory code; and, of course, today's debate and motion.

When I promoted my Bill I received a lot of correspondence, especially from the trade. I did receive one letter from Enterprise Inns, which pointed out the value of the tie. Indeed, the company generously took me round my constituency and demonstrated that the tie can sometimes deliver real benefits; that is true, especially where extensive capital investment is required. Yet the overwhelming volume of correspondence from the trade was supportive of a statutory code with a free-of-tie option.

One of the most powerful letters I received came from someone who said the following:

"I have the misfortune to have a successful pub/restaurant…under a tied Enterprise lease…Having taken the lease last May from previous tenants who couldn't make the business work, looking back no one seems to have had success since Enterprise bought the pub".

Jason McCartney: The hon. Gentleman makes some excellent points, as many colleagues have done on the basis of their own personal experience, be it from meeting their partner in pubs or having worked in the industry. My experience is of my two local pubs in Honley, in Yorkshire. The Allied has had three tenants in 18 months—it is on to its third lot now—and the Coach and Horses, after numerous tenants over the past three years, has just closed. Although an Indian restaurant called Balooshai is going to open, which I welcome, I no longer have a pub within a minute's walking distance. For those reasons, as well as because of all the other points made in the Chamber this afternoon, does my hon. Friend agree that action needs to be taken?

Martin Horwood: Yes.

My correspondent also said:

"The local rep visited at my request this May, only his 3rd visit and I now prefer to deal with him by email to have everything in writing."

That supports the points that have been made about loss of trust. The letter continued:

"He first volunteered the figures from the brulines system, showing my doubling sales, food has also gone from nothing to a very good business and is the only way to make any money on this lease. I then put to him that at £5.5k breakeven I am paying about £23k rent and £50k through the beer tie. This equates to around 17% return on the value of the property while I will struggle to even repay my investment let alone make a return on it or pay myself an income. When I put to him that unless he rebalanced this I would be selling up and moving on he confirmed that I have a lease in order that I can do this."

As my correspondent pointed out, the pubco representative would

"make a mean poker player."

My correspondent continued:

"I'm waiting to see what comes from Westminster…Last resort is to sell up and move on."

He points out that this is not just about the price of the beer either, saying:

"Aside from paying between 1.5 to 2 times wholesale value within the tie. Enterprise restrict what I can buy, for example I can not have Crabbies Ginger Beer".

I have never heard of that. [HON. MEMBERS: "Oh dear!"] Other hon. Members obviously have.

The letter continues:

"this may seem petty, but Crabbies is heavily marketed and is hence what customers ask for."

He concludes:

"With a monopoly to supply 7,000 pubs, the service is understandably poor, why would you offer more than a week or 2 payment terms, daily delivery, knowledgeable staff, sale or return, dependable deliveries, useful special offers, volume discounts, why would they? It's not as if I can take my business elsewhere."

That inequality in the power relationship between struggling small businesses and the major pubcos demonstrates my point.

Mr George Howarth: As I am ever anxious to be helpful, may I tell the hon. Gentleman that Crabbie's ginger beer is made in Knowsley?

Martin Horwood: The right hon. Gentleman will have to buy me whatever the relevant quantity is in a pub sometime, if we can find one.

To be even-handed, I must say that I have had quite a lot of complaints and correspondence from lessees of Punch Taverns, too. One wrote:

"I am a Punch Lessee, I am at present on the biggest discount"—

in other words on beer price—

"that Punch can give me, I am paying what is in my view an extortionate rent, an example of pricing is as follows:

My buying price from Strongbow Cider at highest discount from Punch = £110 + VAT—Price from free-trade Moulton Coors = £64 +VAT.

This comparison is throughout the range. What chance have I got of staying in business. The truth of the matter is that the prices we have to charge to customers = empty pub."

That is the unequal power relationship we need to have tackled, and that view is widely held across the trade.

The Minister should take credit for the positive steps that he is taking, but none of them really sort out the central issue, which is not the need to abolish the tie or even customer choice and competition among pubs for customer trade but the need to rebalance the relationship between publicans and the pubcos, and the lack of any real incentive for those highly leveraged businesses to offer better terms and avoid pub closures. It is increasingly clear to everyone in the trade, to the Select Committee, which has repeatedly considered it, and to Members across this House, that the only way to do that is to introduce a statutory code with a free-of-tie option. We should not force all pubs out of the tie, but give the pubcos an incentive to rebalance the relationship and offer more generous terms to those struggling small businesses. The pubcos have been drinking in the last chance saloon for so long that they must be under the table by now, and it is time for Ministers to join us all in saying, "Time" and "Enough".

2.52 pm

Lorely Burt (Solihull) (LD): Although several Members have a lot of knowledge of the pub industry, I think I am the only Member who has spoken today who has operated under a tie. Admittedly it was an awfully long time ago, but the experience of operating under a tie is principally the same now as it was when the beer orders came in.

I agree with the hon. Member for East Hampshire (Damian Hinds) that the tie is not the problem. In my view, it represents the symbiotic relationship between the company, which owns the pub, and the tenant, who puts his or her labour, blood, sweat and—often literally—

[Lorely Burt]

tears into the equation. Landlords have always complained about the unfairness of the tie—they did it in my day and they do it today—but people should enter into tenancy agreements with their eyes wide open, not with the starry-eyed image of being "mine host" behind the bar obscuring the economic facts. I am glad to see that the new pub advisory services will be established to support would-be tenants and ensure that they understand what they are getting themselves into.

The difference today is that the vast majority of tied pubs are owned not by breweries but by companies whose purpose is not just selling beer but owning properties that they expected to accrue in value. Several changes over the years have made that a less and less attractive business proposition, including changes in drinking habits, drink-drive legislation and so on. The property bubble has now burst and the pubcos can no longer rely on increasing property values to square a decreasing profit circle. To their shame, some pubcos have resorted to imposing increasingly punitive terms on their tenants to make up the difference, including the full repairing and insuring leases that have been mentioned, along with many other examples.

Martin Horwood: Does not the point that my hon. Friend is making underline the difference between the kind of tie under which she operated with a brewer and those under pub companies, which have no incentive not simply to sell their pubs and take the cash, as that helps their balance sheets?

Lorely Burt: I agree with my hon. Friend to a degree, but the principle of the tie is the same. We need to make sure that the tie operates fairly.

These problems must stop, but should the answer be legally to require companies to offer a free-of-tie option? The balance has indisputably tipped too far towards the landlord, but I think we are tipping the baby out with the bathwater. For the breweries, what would be the point of having their own pubs if they could not impose a tie? Why would they go to the trouble of buying and refurbishing property and recruiting suitable tenants only for those tenants to start in competition against them, selling someone else's beer? Breweries have been anxiously awaiting the Government proposals because they want to invest in the industry, but they will not do that if they cannot keep the tie.

Susan Elan Jones (Clwyd South) (Lab): Does the hon. Lady accept that one problem with the current situation is that it prejudices against local ales? I am thinking of McGivern ales in Ruabon. Its ale is hugely popular and I would like to see more pubs selling it, but the current situation prejudices against that.

Lorely Burt: Indeed, but the Office of Fair Trading report found that there was not detriment to the consumer in response to the tie. The pubs I go to tend to have all sorts of guest ales as well, so there is still that possibility.

Mr Davey: The OFT found that the total volume of beer sales by small breweries increased by 50% between 2004 and 2009 despite the shrinking of the beer market as a whole.

Lorely Burt: I am grateful for that intervention.

As for the pubcos, those over-relying on the property model have become increasingly unviable and they are being hoist on their own petard. Punch is selling off 2,000 pubs and Enterprise is selling 500. Those that are left will be protected by the code of practice. Why should we wait for two or three years to introduce legislation, given that 98% of the industry has signed up to the code of practice today? The code of practice is stronger and is legally binding. Rents must be based on independent guidance from the Royal Institution of Chartered Surveyors, and unhappy tenants can appeal easily and cheaply to an independent mediation service and to the courts. On the whole, this is a good deal for landlords and customers. I can support the proposal in the motion for a review to ensure that the voluntary code and other measures are properly implemented and that they work, but I would be happier if a little more time were given to assessing whether they are working properly.

Where I think that we as a Government have failed is in not taking strong enough action against the supermarkets and their pernicious cheap alcohol policies. Several colleagues have mentioned that. I should like to say, "Well done," to my hon. Friend the Minister for the safeguards and changes he has managed to wring from the pubcos, but can he now persuade his right hon. and hon. Friends in the Treasury to substitute for the lily-livered excuse for a minimum charge for alcohol of VAT plus the rate of duty, a proper minimum charge to protect our pub industry and the health of our nation?

2.58 pm

Toby Perkins (Chesterfield) (Lab): It is a pleasure to stand here at the culmination of this excellent debate, which has shown the House in a tremendous light. Let me start by congratulating my hon. Friend the Member for West Bromwich West (Mr Bailey) on securing and opening the debate. I congratulate also the hon. Members for Leeds North West (Greg Mulholland) and for Northampton South (Mr Binley) on their work on this issue. It is to the Minister's shame that despite diligent research and the magnificent campaign fought by many interested organisations, we are debating how to put safeguards into a policy that was announced without proper consultation and in direct contradiction of assurances given by him.

I shall refer to the remarks of some Members during my contribution, but I must pick out specifically the brilliant and passionate speech of the hon. Member for Northampton South. He described how the Government have reneged on their undertaking, and pointed out that the problem was the major pub companies that have more than 500 pubs. The hon. Member for Leeds North West spoke brilliantly and exposed the shameful collaboration of the Government and the BBPA. That point was also taken up by the hon. Member for Southport (John Pugh).

My hon. Friend the Member for East Lothian (Fiona O'Donnell) talked about the impact on jobs. That is a vital issue: every week hundreds of people lose their job as a result of the number of pubs that are closing.

The hon. Member for Burton (Andrew Griffiths) spoke up for pub companies, but said that they were drinking in the last chance saloon—and my right hon.

Friend the Member for Torfaen (Paul Murphy) rightly said that the last chance saloon sounded like a pub where time is never called.

Andrew Griffiths: Will the hon. Gentleman give way?

Toby Perkins: I am afraid I do not have time.

The hon. Member for Bristol North West (Charlotte Leslie) felt that on balance there needed to be some regulation. She defied those who think that a Member cannot make a serious speech wearing a scarf—something that may catch on.

My hon. Friend the Member for Sheffield Central (Paul Blomfield) talked about how, because of their flawed business model, the big pub companies are squeezing out unreasonable returns. My hon. Friend the Member for Middlesbrough South and East Cleveland (Tom Blenkinsop) said that the Prime Minister was dodging his round at the bar. The hon. Member for Nuneaton (Mr Jones) reminded us of the role of the pub in uniting couples over the years. He reflected on the good fortune of Mrs Jones to have been drinking in the right pub at the right time.

There were interesting contributions from my right hon. Friend the Member for Torfaen and my hon. Friend the Member for York Central (Hugh Bayley). The hon. Members for North Swindon (Justin Tomlinson) and for East Hampshire (Damian Hinds) spoke about alternative ways in which pubs might choose to improve themselves.

Today we have heard a lot about the history of this issue, but it is worth reminding ourselves that we have had seven reports and there have been four inquiries by the Business, Innovation and Skills Committee. The Government's response has many flaws, which other Members have exposed, but I want to talk about two specifically.

On the issue of pub closures, which was exposed by the hon. Member for Pendle (Andrew Stephenson), the Minister has swallowed the big pub company line that free-of-tie pubs are more likely to close. He must know that in general tied pubs do not close permanently, because, as the hon. Member for Brighton, Pavilion (Caroline Lucas) pointed out, they have a history of churning through huge numbers of landlords who try and fail—another business going under, another life unfairly ruined. One pub company had a churn rate of 65%, so although the hon. Member for Solihull (Lorely Burt) says that people should go into such arrangements with their eyes open, that does not reflect the reality experienced by many tenants and lessees. Like the hon. Lady, my hon. Friend the Member for Edinburgh South (Ian Murray) was previously a landlord—for Enterprise—and has strongly made the point that many people's lives were ruined because they were not aware of what they had let themselves in for.

In March 2010, a Federation of Small Businesses survey found that 84% of tied businesses believed that their relation with the pubco did not allow them to compete effectively, 90% believed that the arrangements meant that they could not make a fair profit, and 87% indicated that they wanted to be free of the tie. Despite that evidence, the Government say in their response, as my hon. Friend the Member for Wrexham (Ian Lucas) pointed out, that the debate over tied or free-of-tie status is a distraction. We think that is entirely wrong.

The FSB is not the only organisation to study the issue. The Institute for Public Policy Research also questioned tenants and lessees, and its findings showed that free-of-tie landlords manage pubs longer, are more optimistic about the future, are less likely to be struggling financially, and earn more. According to that study, 46% of tied publicans earn less than £15,000 a year. The hon. Member for Cheltenham (Martin Horwood) noted that the IPPR found that 88% of publicans who claim to be struggling financially identified the beer tie as one of the most significant factors in their financial problems.

The Minister, in his written response, built a man of straw, claiming that the critics were calling for the tie to end completely. He must know that that is not the case. All the critics are saying is that if the traditionally tenanted arrangement is such a good deal, why can the big pub companies not offer both tied and free-of-tie options, and let their tenants decide?

The Select Committee discovered that at every turn the big pubcos had failed to take the actions they had promised. In desperation, the Committee said in March 2010 that it would give the industry a final chance to prove that self-regulation could work. It was supported by a sympathetic Government who promised to back its findings. When there is such knowledge and such commitment and when the industry has been given every chance to put its house in order, how can the Minister possibly write that the issue is more complicated than the critics realise?

What the critics may have failed to understand is not the issue surrounding pubcos but the developing relationship between the pubcos, the BBPA and the ministerial team. As the hon. Member for Leeds North West said, the save the pub group has discovered, through freedom of information requests, that throughout the process the referee was getting changed in the same room as one of the teams.

Mr Davey: Not only does the hon. Gentleman not have any evidence of that, but he has asked me a number of written parliamentary questions, and the answers that I have given him show that what he has just alleged is not true.

Toby Perkins: The Minister's colleagues, the hon. Members for Southport and for Leeds North West, were deeply uncomfortable about the relationship. The findings of the save the pub group, through freedom of information requests, show that parts of the BBPA's report—including the typing errors—were just cut and pasted into the Government's response. I do not know whether the Minister is still listening to me. It is difficult for him to say that there is no evidence when Members who sit on the same side of the Chamber as him feel that the relationship is deeply unhealthy.

It transpires that before the Select Committee report came out the Minister had made up his mind that he would not consider legislation. As I said, the Government's response to the report is, in substantial part, the BBPA's own report. As my hon. Friend the Member for West Bromwich West said, it is now clear that the Minister has had no independent legal advice on the legality of the framework, and instead has relied on legal advice provided by the BBPA. It has become clear that his officials were assisting the BBPA with the wording of a press release as early as October, when as far as interested

[Toby Perkins]

bodies were concerned the Minister was still sticking to his commitment to push through legislation. In fact he was merely paving the way for the BBPA's preferred option. That is just what we know. Other information requested by the save the pub group has been hidden by the Government. How much worse can it be?

The verdict of the all-party save the pub group is damning. It says that the Minister has not been naive; the action is deliberate and, at best, a lazy response by him in the hope of clearing his desk. The verdict of the Federation of Small Businesses is equally clear. It is extremely disappointed by the Government's response to the Select Committee inquiry and extremely concerned that this agreement appears to have been negotiated with the BBPA and the larger pubcos without substantial consultation with interested parties.

If a Minister were able to come to the House and create a policy that united opinion throughout the House, including the Select Committee, and among the numerous groups referred to by the hon. Member for Leeds North West, we would call him a genius. I have no idea what the word is for the opposite of a genius, but the Minister appears to have achieved the absolute opposite of that united opinion. Who else is calling for the Government to legislate on this issue? Who else does the Minister think simply does not understand its full complexities? Alongside the Select Committee, the Federation of Small Businesses and the all-party save the pub group, there is CAMRA, the Independent Pub Confederation, Fair Pint, the GMB, the Association of Licensed Multiple Retailers, the Guild of Master Victuallers, Unite, the Society of Independent Brewers and the Forum of Private Business. If the Minister could leave the Chamber and come up with a policy that united all those people in his favour, he would take a huge step forward in his career.

As has been declared, this was an opportunity to take steps to resolve the problems faced by the 87% of landlords who indicated that they wanted to be free of the tie. The Minister has wilfully and deliberately set out to avoid living up to that commitment. He says in the Government's response that the industry will waste no time in living up to these demands, given the parliamentary interest in the matter. As the hon. Member for Eastbourne (Stephen Lloyd) made clear, that is a risible claim, as all the evidence we have seen from the pub companies over the years demonstrates.

Who has the Minister let down? He has let down the Select Committee, which worked so hard and which he promised to back, and all those who contributed to its hearings. He has let down the small family brewers who have been shut out of many pubs as a result of the pub companies' market domination. He has let down the Federation of Small Businesses, which campaigned so strongly, and let down CAMRA and the Fair Pint campaign. He has let down the 25,000 publicans across Britain who run tied pubs. Most of all, he has let down the customers who were relying on him to secure a fairer balance between landlords and the pub companies.

Never before has there been such a concern about crony capitalism or such an expectation that the Government should stand up for small businesses. This issue confirms what we have always suspected: beneath the warm words, what we are getting from the Government is business as usual. They are on the side of the rich and the powerful, standing up for large vested interests and leaving publicans to fight for themselves.

Ultimately, this issue set three tests for the Minister. Would the Government intervene to ensure a fair relationship between big pub businesses and small business people? Would they keep their word and do what was right, even when a big, powerful lobby asked them not to do so? Would they listen to the voice of the people, the voice of small businesses and the publicans at the coal face of the industry or, when they were needed, just back down? On all those tests, the Government have failed.

This is not a party political issue. Everyone agrees that the Government have got it wrong, as we heard today from Conservative and Liberal Democrat Members. A huge opportunity has been missed and the pub lobby will not believe that this House is serious about action, but it is not too late. Members must ensure that the industry is held to account by supporting the motion, ensuring that an independent body is allowed to come in and monitor what actually happens. Only then will there be any chance of people having a serious hope that the House will take action. I commend the motion to the House.

3.11 pm

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey): It might surprise the House to learn that I am very grateful for today's debate and for all the contributions made by hon. Members, not least because our deliberations will be read by the industry, including the pubcos, and because there is agreement on a number of issues. We all agree that, while we want to enable businesses to generate growth and jobs, we also want them to operate fairly. There is no doubt that the Business, Innovation and Skills Committee identified a number of concerns about how the pub industry is operating. I strongly agree with the importance the Committee and hon. Members attached to the role of pubs in communities the length and breadth of this country.

Before addressing some of the specific issues raised today, I would like to outline the reforms that the Government recently secured from the industry so that no one is in any doubt about them. The reforms deliver on our promise to take action and are much more significant than many Members have suggested today. The industry framework code is to be made legally binding, and I can tell the House that all six of the big pubcos, as well as a number of the smaller family operators, have already declared publicly on their websites that they are legally bound by this code and sent letters to their licensees setting out an open and unlimited offer to this effect. That already represents over 70% of the tied trade and 100% of the large pubcos.

A pub independent conciliation and arbitration service—PICAS—is to be set up. It will provide mediation and arbitration on any matter relating to the framework or company codes and the results will be binding on both parties. That will be done by the end of next month. There will be a three-yearly re-accreditation process for company codes, administered by the British Institute of Innkeeping benchmarking and accreditation scheme through examination of annual compliance reports and

spot checks. A new pubs advisory service—PAS—will provide an initial offering of free advice to all prospective and current tenants and lessees. There will be a strengthened framework code, with a particular focus on full repairing and insuring leases and on issues such as rent, insurance, transparency and pre-entry training. This strengthened code was agreed between the BBPA, the BII, and the FLVA, which is a licensee organisation, on 22 December. Those reforms have the potential to deliver real change for tenants and lessees across the country, and they are being brought into effect far more quickly than legislation could achieve.

There have been suggestions of collusion, with allegations that in the process the Government listened only to the BBPA and were deaf to the voices of licensees. That is simply not true. I have met CAMRA three times over the past year; I have met my hon. Friend the Member for Leeds North West, the chair of the all-party save the pub group, four times over that period; I have met the Independent Pub Confederation; and I have met representatives of the Association of Licensed Multiple Retailers, a licensee organisation, with which we were in detailed discussions while negotiating with the BBPA.

Toby Perkins: Did any section of the representations from the groups that the Minister has just mentioned find its way directly into the Government's response, or was it simply the BBPA's representation that turned up there?

Mr Davey: I heard the concerns of those organisations and the problems in the industry, and that is why we have taken action. The hon. Gentleman tried to say that this was not a party political issue, but he made it into one. He and his hon. Friends had 13 years to take action, but they took none.

During this process, I have read copious reports on and information about the concerns of licensees, and we have taken action to address their concerns when we have felt that action is appropriate. We will always listen—

Ian Lucas: Will the hon. Gentleman give way?

Mr Davey: No.

We will always listen, but that does not mean that we will agree on every point, such as on the point about the beer tie, which I will discuss in due course.

Ian Lucas: Will the hon. Gentleman give way?

Mr Davey: No.

Mr Iain Wright (Hartlepool) (Lab): My hon. Friend is a former Business Minister.

Mr Davey: I will give way later on; I want to make some progress, because some serious allegations have been made.

Reference has been made to the freedom of information request, which is alleged to show that we just accepted the status quo and the views of the BBPA. The Government have now released more than 90% of the documents requested under the recent FOI request, and more than 500 pages of documentation can now be found on our website, including discussions and minutes of meetings with the BBPA, the ALMR and CAMRA. They show clearly that we listened to all sides and negotiated hard with the BBPA.

For example, there are the minutes of the meeting with the BBPA on 12 October, in which I laid down the conditions that any self-regulatory deal must satisfy. Otherwise, we would have had to consider regulation. The minutes show that the key conditions were those that I laid down—that the code must be legally binding, that the code must be strengthened and that there must be an independent dispute resolution service.

Following my initiative, the BBPA went away to write its report, which it sent to me on 20 October, and I can assure the House that in the meeting on 12 October the BBPA did not want to give the concessions that we wrung from it. Indeed, an e-mail on 20 October, which is in the FOI request, shows that my officials contacted the ALMR, a member of the IPC and a licensee organisation, within half an hour of receiving the BBPA's offer in order to seek that organisation's opinion. In the freedom of information request, there are e-mail exchanges in which we pressed the BBPA on how it was to make the code legally binding, and to give firm dates for implementing its commitments and establishing PICAS. That information is available on our website, and I am happy to place it in the Library.

Ian Lucas: Does the Minister agree that the Government's response falls short of the undertaking given to the Business, Innovation and Skills Committee in July 2010?

Mr Davey: No, I do not agree. My right hon. Friend the Secretary of State said that he would take action, and we have taken action.

Ian Lucas: Will the hon. Gentleman give way?

Mr Davey: No, and that action is a lot greater than any the Labour party took over 13 years.

Mr Binley: Will the hon. Gentleman give way?

Mr Davey: No, I want to make some progress. [HON. MEMBERS: "Oh!"] I will give way to the hon. Gentleman in a bit, because in two and a half hours' evidence to the Select Committee he quizzed me for an hour, so let us be clear that I have answered an awful lot of questions from him.

Why did we not legislate? Some in this Chamber wanted the Government to step in and regulate, and some even believe that we promised to do so, but we promised to take action, and that is what we have done. We have had to consider all the evidence and the action that we would take, and I believe that the action we have taken is appropriate and effective.

We did not legislate because, first, we wanted to act now, not in two or three years' time. To legislate, we would have had to carry out a lengthy process of consultation, of drafting and of pre-legislative scrutiny, and after that we would have had to fight for a slot in the legislative Sessions. It is highly unlikely that such a slot could have been found quickly.

Secondly, this is a deregulatory Government. Additional regulation should always be a measure of last resort. For the Government to intervene in the commercial contractual relationships between two parties, they must

[Mr Davey]

have very good reason. That is in line with the Government's top priority of achieving strong, sustainable and balanced growth, and generating a climate that supports enterprise and creates jobs.

Thirdly, the Office of Fair Trading found in October 2010 that there were no competition issues affecting consumers in this market. That is a critical point, but I am afraid that the Select Committee report did not discuss it. I am aware that in some circles, it is believed that the OFT is wrong. That is not a view that I share. As Minister with responsibility for competition, I have high confidence in the rigour and accuracy of the OFT. Without evidence of competition issues, the rationale for Government intervention is significantly reduced. That is in contrast to the situation in the groceries market, where the Competition Commission found evidence of competition issues. The Government have therefore committed to introducing a groceries code adjudicator as soon as parliamentary time allows to ensure that large retailers treat their suppliers fairly and lawfully.

Hugh Bayley: Will the Minister give way?

Mr Davey: I will in a bit, but I want to make progress.

What we have delivered instead of regulation is a self-regulatory regime much stronger than we have had before. As a result of commitments made by the pubcos, they will be obliged to comply with the code and it will be delivered at least two or three years sooner than under an Act of Parliament. That is in line with the Government's commitment to focus on delivering reform for small businesses right now, not in a few years' time.

I have listened to campaigners on the issue of the tie, including the IPC, CAMRA and hon. Members. After careful reflection, I disagree with them. I say careful reflection because, like other Members, I have always been worried by the tie, primarily because I had assumed that it must be interfering with competition and was therefore against the interests of consumers. That is why, like others, I was keen for our independent competition authorities to consider the matter. The OFT's investigation concluded that consumers are well served by British pubs, that there is choice and that a wide variety of beers is available. To override an independent competition authority would be a serious decision for a Minister to take and would require significant evidence that the authority had failed to deliver. As CAMRA decided not to challenge the OFT further, presumably it did not have further evidence; we certainly did not.

Martin Horwood: Will my hon. Friend give way?

Mr Davey: No, but I will in a second.

Mr Binley: Will the Minister give way now?

Mr Davey: No.

Secondly, when one examines where the relationships between pubcos and licensees have gone wrong, it quickly becomes clear that the major problem is not with the traditional tied tenancy, but with full repairing and insuring leases, which are mostly, but not exclusively, used by the pubcos. There are problems with pre-entry training, transparency and rent guidance not being followed, but not with the basic question of whether a pub is tied for beer. That is why my solution targets full repairing and insuring leases and leaves alone the traditional tied tenancy model, which is used successfully, and for the most part amicably, by local and regional brewers alike.

Thirdly, the market is driving a solution. The figures show that since December 2008, slightly more free-of-tie pubs closed than tied pubs. That is true whether one uses the gross closure rate or the net closure rate, which CAMRA says is more important as it takes account of churning. Furthermore, big pubcos are selling off hundreds of pubs a year, many of which are being bought by family brewers or converting to being free-of-tie. Since December 2008, three times as many free-of-tie pubs have opened than tied pubs and a further 1,300 pubs have converted from being tied to free-of-tie. Where the market is working, the Government do not need to intervene.

Mr Binley: I am most grateful to the Minister for giving way. I remind him that I asked the Secretary of State whether he would uphold the undertaking given by the previous Government that they would act on recommendations from the Select Committee if they were meaningful and in its report. Will the Minister confirm that the Secretary of State said that he would uphold that undertaking? Does he accept that that is the truth of the matter?

Mr Davey: My right hon. Friend the Secretary of State said that he would take action, and we have taken action. Let us be clear that what the Select Committee wanted was legislation to deal with the problem. Through negotiation and using contract law, we have got legally binding codes of practice that are in the spirit of what the Select Committee asked for. More than that, the Committee asked for an adjudicator, and we will have PICAS to adjudicate on the code by February. Not only are we tackling the issues that the Committee raised, we are doing so far more quickly than expected. I would have thought that the hon. Gentleman would welcome that.

Toby Perkins: It is one thing for the Minister to argue that what he is doing is better than what he undertook to do, but it is simply wrong for him to try to claim that he is doing what the Secretary of State and he undertook to the Select Committee to do. He must know that the commitment that the Secretary of State gave is not what he is delivering. Why does he not just be honest and say that?

Mr Davey: Throughout my speech I have shown that the hon. Gentleman was wrong in almost everything that he said to the House, and he is wrong again.

I recognise that some Members would want us to have gone further, yet our reforms, including the strengthening of the code, its establishment on a legally binding footing and the soon to be completed establishment of PICAS, will mean real change for licensees and tenants across the country.

Martin Horwood: I believe that Members can welcome the positive steps that the Minister has announced but still believe that they do not really tackle the key issues, which are not about compliance and competition but,

as the debate has shown, more about the relationship between struggling small businesses and big pubcos. If we are to have one last drink in the last chance saloon, what time scale will he now unambiguously put on the self-regulatory regime before statutory action is taken?

Mr Davey: I am grateful to my hon. Friend. We do need to give the self-regulatory regime time to work, and I pay tribute to him, and even to my hon. Friend the Member for Leeds North West—[HON. MEMBERS: "Even?"] I say "even" because we do not always see eye to eye on every measure. However, both my hon. Friends have campaigned very hard, and I can tell the House that in my meeting with the BBPA, my hon. Friends' campaigns and the Select Committee reports were critical to my being able to make it absolutely clear that, this time, the pubcos really had to come up with the toughest self-regulatory regime imaginable, or else Parliament would wish to take action. We have come up with the toughest self-regulatory regime imaginable, but it needs time to work. I commend our response to the Select Committee to the House.

3.27 pm

Mr Bailey: A lot of points have been raised in the debate, and I will try to respond to them in a very brief time.

First, a number of Members have raised the issue of regulation. I wish to make it quite clear that the Select Committee put the ball in the industry's court to find an appropriate level of regulation to address the problems that we highlighted. It has had any number of opportunities to do that and failed.

The Committee is not instinctively a body of regulators. It has a coalition majority, and at the time of the report it included a former publican, a former pub company owner and, I believe, a former brewery regional manager. There was a level of expertise and historic involvement in the industry that meant the Committee would not favour excessive regulation.

There are issues to consider about the brewers and their tenants and about the pub companies and their licensees. An adequate consultation with all sectors of the industry would have enabled those issues to be teased out and the introduction of an appropriate regulatory regime that would have addressed them sufficiently. Now, the question is whether the Government will conduct such an inclusive consultation to ensure that that takes place.

Another issue that has been raised on many occasions in the debate is the OFT verdict, which is a red herring. The OFT did not give the pub companies clearance in their contractual relationships. It said that the matter did not come within its remit. The Government have used that as a basis for saying that we should not interfere. I find that rather strange, given the fact that Governments have historically introduced many statutes to deal with injustices and imbalances in contractual advantage.

The Government's response is therefore not sufficient, and I find the Minister's approach to be somewhat incoherent. On the one hand, he says he cannot interfere, but on the other he argues in the House that he is taking action. Either he can interfere or he cannot, and he is either taking action or not taking action, but he cannot marry the two.

At the end of the day, the Government's approach will be judged by the industry as whole, and not just by the BBPA. We will be able to judge the success of their approach by changes in the relative balance of income on the two sides of the dispute, which has implications for the rate of closure within the industry. In effect, the proof of the pudding will be in the eating.

The motion provides a mechanism for a professional, comprehensive and inclusive judgment of whether those changes happen. If that mechanism does not work, the Minister, whether he likes it or not, will have no alternative but to introduce a statutory code that will be inclusive and representative of all bodies within the industry.

Question put and agreed to.

Resolved,

That this House believes that the Department for Business, Innovation and Skills' proposals for reform of the pub industry fall short of the undertaking given to the Business, Innovation and Skills Committee in July 2010 and that only a statutory code of practice which includes a free-of-tie option with an open market rent review and an independent adjudicator will resolve the contractual problems between the pub companies and their lessees; and calls on the Government to commission a review of self-regulation of the pub industry in the Autumn of 2012 to be conducted by an independent body approved by the Business, Innovation and Skills Committee.

Mr Andy Slaughter (Hammersmith) (Lab): On a point of order, Mr Speaker, of which I have given you and the hon. Member for Brentford and Isleworth (Mary Macleod) notice. Hammersmith flyover in my constituency has been closed for three weeks. Although we hope for good news as early as today about the reopening, it is clearly a serious matter for my constituents. The hon. Lady has convened a public meeting—nothing wrong with that—to discuss the matter, but she has advertised and convened it in my constituency. She has invited various public bodies, but not me, to the meeting to discuss these matters—she has not invited me to be on the panel.

This goes beyond the ordinary trespassing that Members sometimes commit. I have never heard of an event of this kind. In reality, it means that the public bodies may not attend, because the meeting is now party political. I ask for your guidance, Mr Speaker. The hon. Lady is a new Member and might not know the protocols of the House as well as others do.

Mr Speaker: I will restrict my understanding thus far, and I am grateful to the hon. Gentleman for notice of his intention to raise the point of order. It will almost certainly not be a matter of order for the Chair, but, reserving my position, I think it only right before I say anything further—I am sure he will accept this—to ask the hon. Member for Brentford and Isleworth (Mary Macleod) to offer her own thoughts, of which I have had some notice, on the Floor of the House.

Mary Macleod (Brentford and Isleworth) (Con): Thank you very much, Mr Speaker. This public meeting is being held purely to help local residents. It is for Transport for London and Hounslow and Hammersmith councils to update local residents and help them. Frankly, that is what I came into politics to do.

[Mary Macleod]

I am extremely disappointed that the hon. Member for Hammersmith (Mr Slaughter) has attempted to threaten, intimidate and bully me into doing what he wants and play political games. He knew what was happening—I told him at the earliest opportunity. I invited him to the meeting verbally and in writing. He said initially that he was happy with the plans for the meeting.

I have worked well recently with my Labour Hounslow council and expect to have a very positive working relationship with the new hon. Member for Feltham and Heston (Seema Malhotra). It is really sad that we cannot help our local residents without an hon. Member trying to stop us. We should work together for the good of our local residents and our constituencies.

Mr Slaughter *rose—*

Mr Speaker: Order. I assume the hon. Gentleman's point of order is on an unrelated matter. *[Interruption.]* Order. Before the hon. Gentleman jumps to his feet, let me say this: I am grateful to him for his notice and for his attempted point of order, and I am grateful to the hon. Lady for what she has said to me via e-email and on the Floor of the House. I do not think this is a matter of order for the Chair; it concerns a matter that is operational, outside of the Chamber of the House. I would want to reiterate the exhortation to Members to co-operate on matters affecting neighbouring constituencies and to observe the customary courtesy of informing other Members about actions and visits proposed in another Member's constituency. These are, however, not rules of the House; they are conventions. I intend to leave this matter here for today. I say this with no discourtesy to any hon. Member, but because there is pressing business of the House to which we need to move.

Ian Lucas (Wrexham) (Lab) *rose—*

Mr Speaker: Before we do so, I must, of course, take what I gather is a totally separate and unrelated point of order from the hon. Member for Wrexham (Ian Lucas).

Ian Lucas: On a point of order, Mr Speaker, that is indeed completely separate. In the previous debate, the Minister, speaking on behalf of the Government, expressly contradicted the content of the motion in an intervention on me, but the Government did not oppose the motion when it came to a vote. Can you offer me guidance on ascertaining the Government's position on this matter?

Mr Speaker: Thankfully, that is not a matter for the Chair. I have no influence over the conduct of the Government, the decisions they make about policy or the way in which they choose either to vote or not to vote. In saying that, I think that the hon. Gentleman will hear my expression of relief.

Chris Bryant (Rhondda) (Lab): Further to that point of order, Mr Speaker. Notwithstanding what you have just said, it is a matter of order that it is the custom of the House for a vote to follow a voice. If the voice spoke in one direction, but did not follow that up with a vote, that would surely be disorderly.

Mr Speaker: I think if somebody says one thing and then votes in a different direction, that would be a breach of order. I think if an individual Member—be that a Back Bencher or a Minister—gives an indication of a view, but chooses not to vote in the Division, that is qualitatively in a different category. I have a sense coming on of a potentially stimulating but arcane and preferably delayable exchange on this matter with the hon. Member for Rhondda (Chris Bryant). Perhaps we can now move to the second debate, which is of great interest to a great many Members, on parliamentary representation.

Parliamentary Representation

[Relevant documents: The Final Report from the Speaker's Conference (on Parliamentary Representation), Session 2009-10, HC 239-I, the First Special Report from the Committee, Session 2009-10, HC 449, and the Government response, Session 2009-10, Cm 7824.]

3.37 pm

Dame Anne Begg (Aberdeen South) (Lab): I beg to move,

That this House welcomes the fact that there are now more women hon. Members and hon. Members from Black, Asian and minority ethnic communities than in any previous Parliament; notes that the need for greater diversity in the House has been accepted by the leadership of the three main political parties at Westminster; is concerned that increased competition for seats at the 2015 General Election may leave under-represented groups more poorly represented among approved candidates, and in the House thereafter, unless mechanisms are employed to tackle continuing inequalities during candidate selection; and calls on the Government and political parties to fulfil commitments made in response to the Speaker's Conference (on Parliamentary Representation) in 2010, including the commitment to secure the publication by all parties of diversity data on candidate selections.

I thank you, Mr Speaker, and the Backbench Business Committee for allowing us time this afternoon to debate the important issue of the representation of this House. If Parliament and, indeed, the Government are to be successful and to be able to make the best decisions for the country, the people taking those decisions need more closely to reflect the society we purport to represent. I make that point because the desire for a Parliament made up of Members from a wide range of backgrounds comes not from some political correctness, but from the belief that a Parliament that does not reflect society will not be effective.

The proposal in the coalition agreement to give anonymity to people charged with rape horrified female MPs from all political parties, who united to force the Government to back down. If only one or two MPs had objected, would the coalition have changed its mind? Probably not—but the critical mass of female MPs, speaking with a common voice, made the Government realise they had got things badly wrong.

There should be a place in this mother of Parliaments for individuals from all sections of society. We should ask ourselves why certain groups are under-represented. The reason is not that the electorate will not vote for women, people with disabilities, people who are gay or people from ethnic minorities—they clearly will; otherwise many of us would not be here—but that political parties do not choose enough candidates from diverse backgrounds to fight winnable seats. Furthermore, if not enough of those candidates want to become an MP, we must examine how we do our business and how we run our politics and our Parliament to identify the barriers. Many of those people would make excellent MPs, and the loss of their expertise and talents results in a diminished Parliament. Such a Parliament could lose legitimacy; indeed, it might never have had legitimacy because it had never been properly representative.

Why are we having a debate on this subject, more than three years away from the next general election? The timing is pertinent for three reasons. Two years ago yesterday, the final report from the Speaker's Conference on representation was published. One of its recommendations was that there should be a debate on the Floor of the House every two years to review progress. Well, we are one day out, but in parliamentary terms I think that that is pretty close.

The second reason for holding the debate is that, although this Parliament is more diverse than previous ones, we still have some way to go before the House of Commons reflects the population more closely. Only 22% of MPs are women and only 4% are from an ethnic minority, and the proportion of those who have a disability or are lesbian, gay, bisexual or transgender falls far short of the numbers in society. Establishing a lasting improvement in the diversity of Parliament, however, requires cultural change. There is no quick fix: it is necessary to keep making the arguments and to keep refocusing people's minds on the need to tackle under-representation.

The third reason for the debate is that the gatekeepers to the selection of MPs, the political parties, have already begun to select their candidates for the 2015 general election. That election will be accompanied by a reduction in the number of MPs, and it is therefore important that the leaders of the political parties are reminded of the commitments that they made to the Speaker's Conference to take action to improve the diversity of candidates. At the 2015 election, established MPs will have to fight each other for their seats, and those who lose in the selection process could be promised a vacant seat elsewhere. The parties might therefore be tempted to suspend their attempts to select candidates from different backgrounds, preferring instead to look after existing MPs. It could therefore be harder for candidates from under-represented groups to be selected. As a result, the next Parliament could be even less diverse than this one.

Members who do not think that could happen need look only at the 2005 election in Scotland, when we faced the abolition of 13 seats. The Labour party's use of all-women shortlists was suspended in Scotland, and the number of women MPs dropped. At the UK election that year, however, for the first time in history more than 50% of the new Labour intake were women. That shows that mechanisms such as all-women shortlists work, and that when they stop operating the number of women who are selected, and consequently elected, drops.

Fiona O'Donnell (East Lothian) (Lab): As someone who benefited from an all-women shortlist, I wonder whether my hon. Friend would go further and address the issue for working-class women. Does she support my view that we should have a ceiling on the amount that a candidate can spend during the election process, and that they should have to declare donations?

Dame Anne Begg: My hon. Friend makes a very good point. There are enormous economic barriers that prevent not only women but people from lower socio-economic groups from getting into Parliament. The political parties should certainly look at her suggestion in relation to their selection process, and consider capping the amount that can be spent. At the moment, it can get into the thousands, and that can rule out many candidates.

Chris Bryant (Rhondda) (Lab): I want to add some statistics to those that my hon. Friend has given. In Wales, in 2001, when all-women shortlists legally had to be suspended, the Labour party had to select 10 candidates

[Chris Bryant]

for seats in which the sitting Member of Parliament was retiring. In every single case, it selected a man. Does not that highlight the problem of what happens if there is not an all-women shortlist?

Dame Anne Begg: Indeed. That ties in with my fear for the 2015 election—that the advances we have made could start to be reversed. While huge advances were made on the representation of women in the 1997 Parliament because of the use of all-women shortlists, the number of women in Parliament dropped after the 2001 election. That happened not just in Wales but across the whole country, because this mechanism was not available to the Labour party to use in its election process.

Dr Andrew Murrison (South West Wiltshire) (Con): Our constituents tend to be interested in the skills and experience of Members of Parliament and candidates, and they are interested in their occupational background—perhaps even more than in their membership of particular social groups or minority groups. In that regard, why does the hon. Lady think that the number of MPs from manual worker groups and from professional groups has declined since 1979, and what can we do about it?

Dame Anne Begg: The hon. Gentleman makes an interesting point. This is a problem not just for the lower socio-economic groups, for whom the economic costs of putting themselves forward as a candidate can be prohibitive. Those working in the professions are often too busy doing their daily work, so they might not have enough time to invest in politics, making it difficult to build up the reputation they need to become the kind of candidate of whom the "selectorate"—the party members—would approve. The professionals might not have been seen knocking on doors or delivering leaflets, which puts them at a disadvantage in the selection process.

I strongly believe that we should have a Parliament of all the talents, with people from different and varied backgrounds. Although this Parliament might be more diverse in terms of ethnicity and gender, there might have been a narrowing of the routes whereby people are able to get into Parliament—perhaps a drift towards the professional politician. Those involved in politics are more likely to be selected than those who have been getting on with their life by doing another job.

I believe that the key to getting more people from under-represented groups into Parliament is to improve the supply side, which perhaps answers the question of the hon. Member for South West Wiltshire (Dr Murrison). This means identifying and encouraging people from these groups to think about a life in politics. Some welcome progress has been made in dealing with some of the supply-side barriers—for example, the establishment of the Commons nursery, making Parliament more accessible both physically and culturally and the Government's commitment to develop a strategy for access to elected office. Further progress is still required, however, on the House's sitting hours and on recognition of family life in the rules operated by the Independent Parliamentary Standards Authority. Normal people with normal family lives have to feel that they, too, could be an MP. I think we are still some way from achieving that.

A key recommendation of the Speaker's Conference that remains unresolved is on political parties publishing diversity data relating to candidates' selection. It is worth setting out again the reason the conference thought this was so important.

We recommended the creation of a formal monitoring scheme, requiring political parties to publish anonymised data on the gender, ethnic background and other characteristics of candidates selected. The work people did before putting themselves forward might be one of those characteristics. Knowing that the parties already hold this type of information, the conference gathered it from them and published it in the six months preceding the general election. We are very grateful for the support of the parties and their leaders in enabling this to happen, which shows that it can be done easily.

We also secured an amendment to the Equality Bill—now section 106 of the Equality Act 2010—to make such monitoring permanent. Since the election and the end of the conference, however, the central publication of data has stopped. Section 106 of the Equality Act has not yet commenced, and the Minister might want to reflect on that. I still believe that a formal publication scheme for this data is essential. Transparency forces the issue up the agenda as it enables the parties to compare their performance and challenge each other to do better. The mechanisms of publication require comparatively little effort, and there is a consensus that greater transparency would be helpful. To make the process effective, the monitoring scheme needs to be structured so that it is clear that the data from each of the parties is directly comparable, that precisely the same information is given in each case and that it is reported within the same time scale.

I have been trying to obtain information from the political parties for nearly six months, with few results. An honourable mention should go to the Green party, which provided information following the initial request, although the fact that the party has only one MP may have made that easier. My most recent letter was sent to the party leaders just before the Christmas recess. I thought that if I went to the top I might receive an answer, but to date I have received only one substantive reply, from the Deputy Prime Minister: all credit to him.

Given that, I am sorry to say, the Liberal Democrats' record in terms of the diversity of the MPs is the poorest among the main political parties, it is heartening to know that the Deputy Prime Minister is taking seriously the need to rebalance his party's parliamentary representation. It is also good to know that the Liberal Democrats finally recognise that work needs to be done on the supply side, and that mechanisms are needed to encourage people from a variety of backgrounds to put themselves forward. I hope that the 40 candidates identified by the Liberal Democrats will eventually be selected for seats where they have some prospect of being elected—for it is not good enough to select candidates for all the unwinnable seats; they must be selected for the winnable ones as well—and I hope that, having been named and shamed, the other party leaders will respond soon with commitments to do all in their power to demonstrate that they too are taking the issue seriously.

Given that the Speaker's Conference no longer exists, central management and guidance are required in regard to the provision of this information. It would be helpful

if the Minister could tell us what progress has been made in that regard, and whether her Department might be able to act.

I believe that parties must adopt specific mechanisms to improve the diversity of their MPs. Although I think the Labour party has proved that all-women shortlists have been effective, I appreciate that that may not be the way in which other political parties wish to proceed—which is fine as long as they develop their own mechanisms to address the shortfall, rather than arguing that candidates from the under-represented groups would somehow suddenly appear if only they were good enough.

As has already been mentioned, one category in particular is still under-represented in this House. I refer to members of the lower socio-economic groups. It is likely that disabled people will also belong to that category. The cost of putting oneself forward for selection is prohibitive for anyone who does not have a reasonable income, and I urge the political parties to address that issue as well. I hope that some suggestions will be made later this afternoon.

Margot James (Stourbridge) (Con): Does the hon. Lady agree that both people with manual backgrounds and those in the professions are discouraged from putting themselves forward by awkward economic considerations? Those in manual trades cannot afford the whole process of campaigning, taking time off and so forth, while those in the professions cannot afford to give up the salaries to which they have become accustomed.

Dame Anne Begg: That is an excellent point, which may explain some of the narrowing of the backgrounds of some of the people who are now trying to stand for Parliament. It is crucial for work to be done to deal with that. We, as political party animals ourselves, should be spotting people's talents and encouraging them. Many people out there have never dreamt of being Members of Parliament, but we know that given the right chances and the right encouragement they would make excellent MPs, and we diminish this place by not giving them such encouragement. Some women are a bit more diffident than many men, and may need that extra push. Once they have bitten the bullet and put themselves forward they may make excellent candidates and excellent MPs, and be a credit to their parties.

I congratulate the Government on going some way to helping disabled people to overcome the financial barrier which may exist by means of their access to public life fund, which I understand is due to be launched next month. The Minister may want to say something about that as well. However, although the fund will provide financial help with the extra costs of having a disability, there will still be the basic cost of becoming and being a candidate, which can be prohibitive for many people.

Hazel Blears (Salford and Eccles) (Lab): My hon. Friend is clearly immensely passionate and knowledgeable about this subject. She mentions the different socio-economic backgrounds of people entering Parliament, and she will be aware that nowadays one of the main routes to becoming an MP is working in Parliament, perhaps on an internship, many of which are unpaid. Does she therefore support the access to public life fund, which could offer financial assistance to help people to come and work in Parliament?

Dame Anne Begg: I am aware of the work my right hon. Friend has been doing in encouraging people from lower socio-economic groups to put themselves forward, which does, of course, take money. I would like to see how the access to public life fund works for disabled people. Perhaps the Minister will tell us a little more about how it will work in practice. All these routes should be open, but that is not a responsibility of Government alone; political parties might also look at how they finance candidates, and they might be funded in order to do that work. We suggested that in the Speaker's Conference report.

There is some good news to report, but there is still a long way to go in achieving a fully representative Parliament in this country. It will not happen by accident or because large numbers of people from disadvantaged groups suddenly have a burning desire to be an MP and will be able to leap over all the economic and practical barriers to get selected as a candidate for one of the political parties, which to many remain secret societies, and then arrive here in Parliament in a blaze of glory.

Mr David Nuttall (Bury North) (Con): Does the hon. Lady agree that one of the biggest disadvantages a man from a working-class background in one of our large inner cities might face is the existence of all-women shortlists, as they may well feel that their route to joining us in this place is closed before they even start?

Dame Anne Begg: I would accept the hon. Gentleman's argument if every seat had an all-women shortlist, but only 50% of Labour seats has an all-women shortlist, so the man to whom he refers has access to 50% of the seats. This issue is not just about women or people from ethnic minorities; it is also about people with different backgrounds and life experiences. The political parties should therefore be encouraging that man and helping him, and perhaps providing some funding to allow him to get selected in the seats that are available. That is not happening at present, but it should happen.

Dame Joan Ruddock (Lewisham, Deptford) (Lab): My hon. Friend might also say to the hon. Member for Bury North (Mr Nuttall) that historically it was the practice of the Conservative party to have all-male shortlists. What was the disadvantage to the men with manual skills in those all-male shortlists?

Dame Anne Begg: Indeed, and work has been done on the all-male shortlists of all political parties in the last general election.

It will take a culture change and a lot of hard work before the people out there can look at us in here and say, "They represent me." I hope Members will agree that that work needs to continue.

Mr Speaker: In view of the extensive interest in this debate, I have had to limit the time for Back-Bench speeches still further, from eight minutes to six.

3.59 pm

Adam Afriyie (Windsor) (Con): First, may I thank you, Mr Speaker, for convening the Speaker's Conference and giving it your support? I think that has made a huge difference. I also thank the hon. Member for Aberdeen South (Dame Anne Begg) for the careful tone in which

[Adam Afriyie]

she presented the conference findings and for recognising that parties may strive in different ways to achieve the outcome that all Members want, which is a more diverse, representative-looking Parliament. That Parliament might not be proportional to the exact numbers of the various groups in society, but we must have a Parliament that is in touch with the people it serves and that is able to understand and feel the issues that are important to the public.

I made a pledge to myself that I would seldom talk about issues of race, ethnic minorities and diversity in front-line politics, and I made that commitment for two or three key reasons: first, and not least, because I do not think that race actually exists in biological, genetic or evolutionary terms anyway. Above that, categorising people into clear groups can often be more divisive than allowing things to evolve to begin to reflect a nation over time.

I have broken that pledge today because, as the first black Conservative MP in the party's history, I thought I would share one or two insights into my journey here, the barriers and obstacles I have met, and the approach that can be adopted by political parties and Parliament in future. I shall try to do so as quickly as I can within the six-minute limit. I am happy to take one or two interventions—which may help to some degree.

Steve Baker (Wycombe) (Con): I congratulate my hon. Friend. He does a fantastic job for his constituents and I hear fabulous reports about him at all times.

Adam Afriyie: I am sure I would flush up if I was able to; I thank my hon. Friend very much for his intervention.

As I said, I want to share some insights and experience, but if the House will bear with me I will make a couple of points very crudely because I do not have time to put them more subtly; I hope the House will understand that they are well intentioned, and that if I had more time I would elaborate slightly further.

A key reason why I joined the Conservative party, about which I will say a few words in a moment, is that I felt that during the '80s the Labour party was quite patronising towards ethnic minorities. There was a sense on the part of the incumbents in politics—those with power—that ethnic minority groups were somehow hapless and weak and needed all the support and help they could get, and all sorts of extra support in order simply to compete. I rejected that prognosis—*[Interruption.]* Please bear with me: I am putting this very briskly; with more time I would put it more subtly. I rejected that notion because, irrespective of which group in society one comes from—whatever one's physical or socio-economic characteristics, whatever one's background or heritage—everybody is equal. It is a question of whether the opportunity exists to get involved in the political process and to be recognised for ones innate, equal abilities. That is part of the reason why I joined the Conservative party, and something to reflect on.

Chris Bryant: By way of counterpart, I joined the Labour party because I found that the Conservative party was not just patronising about homosexuals, but downright dismissive and aggressively so, and used the full force of the law and of Parliament to legislate that homosexual relationships were nothing other than "a pretended family relationship".

Adam Afriyie: We live in a wonderful world where both parties have progressed enormously.

The Conservative party is interesting, in that it tends to take slightly more time to respond to society and to the change in social mores, which is partly because we are conservatives by nature—with a big C and a small c. However, over time the party does seem to progress quite rapidly, once it gets the gist of things and begins to respond to and reflect the society around it. It is interesting to note that the Conservative party was the first party to elect a Jewish Prime Minister, and a bachelor as a leader of the party; and of course, it elected the first female Prime Minister and leader of the party. We will see what the future holds, but interestingly, despite some of the criticisms of the party, in many ways it has been quicker to reflect the make-up of society, certainly in its leadership.

Jo Swinson (East Dunbartonshire) (LD): I wanted to help the hon. Gentleman slightly by pointing out that he omitted to mention that his party was also the first to elect an out gay woman as the leader of any party within the UK. It became that when Ruth Davidson was elected as the Scottish Conservative leader.

Adam Afriyie: That is absolutely spot on. Sometimes the image projected is not quite the same as the reality of how the Conservative party functions and, more importantly, the results it delivers.

At the last election, my hon. Friend the Member for North West Cambridgeshire (Mr Vara) and I were the only two ethnic minority—if hon. Members wish to box us in in that way—Conservative Members of this House, but our number has now increased significantly to 12. That occurred not through positive discrimination—it was not done through all-black, all-black-and-ethnic-minority shortlists or all-female shortlists—but by an organic process; it was an evolution that gradually reflected the society around us, and I am delighted at those results. There are now 49, rather than 17, women representing the Conservatives in this place, which is a huge step forward, and it has been made without the need for those draconian, divisive and often counter-productive measures.

However, there is a generational lag, which we must, to some degree, accept. Equally, if any hon. Member here was to move to another country and seek, as an adult, to become a Member of the Parliament of that nation, it is unlikely that that would happen or it would be exceptional if it did. There are so many ways in which we can split society into groups—by gender, skin colour, sexuality, disability, socio-economic background and so on. Hon. Members from all parties in this House have a joint desire to see this place be more representative of the country we serve. My biggest plea today is that we do not rush in and embrace quotas—all-women or all-black shortlists, or shortlists with only people with disabilities on them—because such an approach is counter-productive. In a way, it ingrains a sense that there is an elite and that somehow these hapless groups have to have this extra special support, and it alienates others. That form of "groupism" in society is, in many ways, more dangerous than a short-term under-representation over a period of a few years.

I do have a dream that this place will be more representative of the nation at large—that is happening at a rate of knots in most parties and I hope it will

continue. But if I was to urge anything, from my own experience, I would urge us not have a knee-jerk reaction and have exclusively feature-based shortlists at this time.

4.7 pm

Dame Joan Ruddock (Lewisham, Deptford) (Lab): I congratulate my hon. Friend the Member for Aberdeen South (Dame Anne Begg) on securing this debate. May I say to the hon. Member for Windsor (Adam Afriyie), for whom I have great respect, that the Fawcett Society estimates that at the current rate of progress it would take 14 Parliaments—nearly 70 years—to get equality, so he may need to reconsider his view?

I understand that there have been 4,897 MPs since 1918, of whom just 366 have been women, including the 142 serving today. When I was elected in 1987, this place was not a comfortable place for women. Sexist behaviour and intimidation were rife, as was documented by the redoubtable Tory MP Teresa Gorman, who had to put her age back by 10 years to get selected. There were no shrinking violets in the 1987 intake, but there was no women's agenda either. The House was clearly deeply unrepresentative of society as a whole, and I often said that it was a cross between a boys public school and a working men's club.

So some of us were very much committed to making great changes, and we encouraged others to stand. During the 1980s and 1990s the number of women candidates did rise significantly, but of course they did not get elected because they were in the unwinnable seats. We Labour women knew that we had to get our hands on the seats where sitting Members were retiring or the seats that were targets for our party and likely to be won. For that sole reason, we adopted the all-women shortlists. As my hon. Friend the Member for Aberdeen South (Dame Anne Begg) said, when they were challenged, the number of women MPs of course fell back in 2001 after the tremendous progress of 1997.

Following the 2001 election a report was produced by Laura Shepherd-Robinson and Joni Lovenduski, and I want to refer to their findings as they are so relevant. They stated:

"Although fewer women than men come forward for selection, women are not selected in proportion to the numbers…Instances of overt discrimination…occurred to a greater or lesser extent in all the political parties…There exists a self-perpetuating male candidate syndrome whereby selectorates choose candidates that match their pre-conceived idea of what an MP 'should be like'—i.e. like the last one…'Favourite sons' who are virtually guaranteed selection before the process even starts were reported as a problem in all the political parties…Ethnic minority women faced additional problems…Justification for this was…that voters would discriminate against the candidate and selecting them was therefore 'too much of a risk'."

Those findings are highly relevant today, because we still have female representation of only 22% from a population of 51%, and ethnic minority representation of less than 5% from a population of more than 10%. People with disabilities are hardly represented at all, even though they are provided with the incredible role models of my hon. Friend the Member for Aberdeen South and my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett).

As the motion says,

"increased competition for seats…may leave under-represented groups more poorly represented"

in future. It is more than likely that under the pressure for places, parties will revert to the type described in the study I cited, and there will be an expectation that progress on equality should be delayed.

What can be done to increase the representation of women, ethnic minorities and people with disabilities? First, this House must continue to reform itself so that it becomes a place in which ordinary people feel that they can be productive, effective and able to sustain a private life alongside a parliamentary and constituency life. Further reform of the hours, the calendar and procedures must be undertaken, and I am glad that we will have an opportunity to do that this year.

We must also ensure that our parties remain resolute in the aims they have all espoused of greater equality of representation. That means constant vigilance and analysis of how selections are progressing, financial help for those who need it, and the creation of level playing fields so that people from diverse backgrounds can come forward, attend all the selection conferences and stand a fair chance.

Bob Stewart (Beckenham) (Con): As a new Member, I sat in the Members centre and beside me was another new Member, from the Opposition. I watched and was alarmed that she spent two and a half hours on the telephone from the Members centre trying to find accommodation and failing. In the end I said, "What's the problem?" and she said, "I've just got no money left and I can't live." That is wrong and we must put it right as soon as possible.

Dame Joan Ruddock: I support the hon. Gentleman absolutely. Of course, we had the MPs' expenses scandal and of course there were abuses, but we have gone in a direction that means that it is very difficult for people of ordinary means to support a second home and everything that goes with being an effective MP. The hon. Gentleman is absolutely right that that is yet another reason why it will be increasingly difficult to get the equal representation in this House that we all seek.

Recent experience from all parties demonstrates that only determined positive action can produce the results that we need. When sitting MPs are displaced as a result of the boundary changes and the reduction in numbers, that will be much more difficult. All-women shortlists will have to continue in the Labour party and, frankly, I think it must be obvious to the other parties that that is the only mechanism to have delivered really big numbers.

There are two possible ways in which a group's interests can be represented—by the presence of its members in the decision-making process or simply by having its interests taken into account in that process. History shows that the interests of women, ethnic minorities, other minorities and those with disabilities have not been fully taken into account at any time, and if we do not continue to assert our rights to direct representation, our numbers will fall and our democracy will be much the poorer.

4.15 pm

Jo Swinson (East Dunbartonshire) (LD): It is a great pleasure to follow the right hon. Member for Lewisham, Deptford (Dame Joan Ruddock), who has long been a campaigner on this issue. I warmly welcome the debate,

[Jo Swinson]

which comes at a timely juncture two years after the publication of the Speaker's Conference report. I was proud to serve as a member of the Speaker's Conference and would like to place on record my thanks to you, Mr Speaker, and to your predecessor, for your chairmanship of it. I thank also the hon. Member for Aberdeen South (Dame Anne Begg), who was a marvellous vice-Chair and did so much work to produce the report and body of work that resulted.

It is absolutely vital that we address these issues of representation, for some of the reasons that have already been outlined, such as the legitimacy that this Chamber can have in the real world out there. There is also the loss of talent from which we suffer because there are people out there who would make fantastic Members of Parliament but who at the moment do not think they could come here. The evidence from business and elsewhere shows that diverse teams work better, and that is as true here for MPs on Select Committees and in Government and Opposition teams as anywhere else.

Let me touch on some of the developments we have seen since the Speaker's Conference report and highlight some of the areas that have not yet been acted on. A few Members have spoken about the background of people who come to this place as Members. In 1979, 3% came from a political organiser background, but that figure rose to 14% in 2010.

Thanks to the right hon. Member for Salford and Eccles (Hazel Blears) and the hon. Member for Lancaster and Fleetwood (Eric Ollerenshaw), whom I have worked alongside, there is now the Speaker's parliamentary placement scheme. We are grateful to you, Mr Speaker, for supporting the scheme and to the House of Commons Commission for finding some initial seed funding, which has been backed up by generous support from the private sector. Of course, we would still encourage more private sector companies to get on board and support the scheme, which is enabling us to open up internships and parliamentary placements to people who would not otherwise have the means to come here and experience working in Parliament. I hope that some of those individuals will go on to work in different roles within politics. Indeed, I look forward to the day when one of them sits on these green Benches.

I am fortunate to be participating in the scheme and I have a wonderful young woman in my office, Nyree Barrett-Hendricks, who is bright, personable and hugely enthusiastic, but who would never have had the opportunity to come and work in Parliament otherwise. I very much hope that the scheme will be able to expand in future and be part of the solution to dealing with the issue of background. Clearly, however, much more needs to be done.

Dame Anne Begg: Will the hon. Lady also pay tribute to organisations such as Operation Black Vote, which does a very similar thing to help people gain experience who might then consider standing for Parliament?

Jo Swinson: The hon. Lady makes a very good point; I certainly pay tribute to Operation Black Vote, with which I have also worked in previous years and had people shadow me, and I know that many other Members have done the same.

There has been a lot of progress that we should celebrate. Recommendation 56 that civil partnership ceremonies should be allowed to be held in the House has been actioned. Indeed, I think the hon. Member for Rhondda (Chris Bryant) might have been the first to take advantage of that change. *[Interruption.]* Perhaps he was not the first but there have been several, which is great.

Recommendation 51, about having a nursery and crèche within the House of Commons, has been implemented. That facility is used by many Members I know, and is very welcome. Even the Independent Parliamentary Standards Authority, which does not always have a good reputation in the House, has implemented recommendation 52, which allows Members to take part of their salary in the form of child care vouchers. Previously, that option had long been open to other members of staff in the House but not to MPs.

There has been progress through the coalition agreement on the establishment of a disability democracy fund, but I hope the Minister will say more about where exactly that has got to. I know there was a consultation last year and it would be good to know when that will come to fruition.

There is also the recommendation that section 141 of the Mental Health Act 1983 should be abolished to prevent discrimination against Members who have mental health problems and have been sectioned, who currently are not able to retain their seat. I understand that there is a private Member's Bill before the other place, but I should welcome any response from the Government about their commitment to the issue.

Mr Sam Gyimah (East Surrey) (Con): I welcome the points the hon. Lady is making about what Parliament as an institution should be doing to lower the barriers for entry to the House, and to teach people who want to be Members of Parliament the rules of the game, but does not the prime responsibility fall on political parties? They need to make sure that they improve representation. On the Conservative side the numbers of women, and certainly of non-white candidates, increased substantially at the 2010 election, but that was because of the efforts of the party rather than of Parliament as an institution.

Jo Swinson: The hon. Gentleman is right. That point is vital, and I shall refer briefly to parties later.

Progress has been less good on other recommendations. Recommendation 4 is that Parliament's education service should have its objectives changed so that it explicitly encourages a wider range of people to become candidates. Unfortunately, that recommendation has not been accepted by Parliament; a response to a parliamentary question was that it could be effected under existing objectives. That does not go far enough. When someone comes here for a tour of the House it is one of the most opportune times to ask them why they do not consider standing for Parliament and becoming an MP. That is the moment when there may be the most inspiration, and we should make that an explicit objective of the education service.

The hon. Member for Aberdeen South touched on recommendation 5; she talked about political parties being honest in publishing exactly where they are at in terms of candidate selection. That monitoring data should be in the public domain so that researchers can

analyse it and use it to show where some of the issues are. That still has to be put into action by all the parties, although some have made more progress than others. I hope that today's debate may encourage more movement, although we should congratulate the hon. Lady on managing to say something positive about the Deputy Prime Minister—I hope she did not find it too difficult—and I am delighted that he responded in full to her letter.

Hazel Blears (Salford and Eccles) (Lab): I am grateful to the hon. Lady for giving way; I could not resist intervening. She will be aware that the Speaker's parliamentary placement scheme has been included by the Deputy Prime Minister in the coalition's social mobility strategy. On that basis, does she agree that if the Government wish to take some credit for that, they might also consider making some financial contribution?

Jo Swinson: As usual, the right hon. Lady puts her point eloquently. I believe there is an event for the social mobility strategy this evening, so I may have the opportunity to bend the ear of individuals about it.

I want to talk a little about what the Liberal Democrats have been doing, because I accept the point made by the hon. Member for Aberdeen South that we do not have good enough representation. I have been working on the issue in the party for 10 years, with some success, but equality guarantees are not always guarantees of seats. In the last Parliament, half the seats where a Lib Dem MP was standing down selected a woman candidate, without positive discrimination mechanisms, but that did not result in the election of those individuals. That is certainly one of the difficulties with the measures that are implemented, but I am looking forward to attending, on Sunday, a candidate leadership programme weekend to meet 40 inspiring candidates, whose biographies I have read. I am sure that will help to yield results in future.

What next? I shall briefly make two points, because I know time is pressing. First, recommendation 54 of the Speaker's Conference urges changes in our sitting hours. Over the next few months the House collectively has the chance to do something about that, when the Procedure Committee report comes before us for debate. I very much hope that Members will bear that recommendation in mind and vote accordingly.

Secondly, as well as a debate every two years, we need to go further and think about a mechanism for regularly holding the Government, the House and the parties to account. For example, we might consider something like the questions we have in the Chamber to the Electoral Commission and the House of Commons Commission on a five-weekly basis.

4.23 pm

Mr David Blunkett (Sheffield, Brightside and Hillsborough) (Lab): I apologise to you, Mr Speaker, to the Minister and to the House if I am not able to be here at the conclusion of the debate.

I congratulate my hon. Friend the Member for Aberdeen South (Dame Anne Begg), not only on securing the debate but on the work she did under your patronage, Mr Speaker, leading the Speaker's Conference. Some of us in the House today spent well over a year of our lives—not full-time, but it seemed a lot—on the Speaker's Conference and I hope that the recommendations can be followed through and that it will be possible to make progress.

In order to avoid repetition, I say at the beginning that the issues surrounding the next general election, not only the lower number of Members of Parliament, but the dramatic boundary changes, present a challenge for all political parties. We need to appeal to them to take the matter very seriously if we are not to take a step backwards on gender, on sexuality, on ethnicity and on disability. I am genuinely deeply worried. I hope that the access to public life fund and the initiative of my right hon. Friend the Member for Salford and Eccles (Hazel Blears) on internships will assist.

On a lighter note, I think that we have made progress in the 25 years since I came to the House. I was asked when I first came in with my dog whether there would be a problem with animal noises, and I gave an assurance that the dog would not be disturbed at all by the kind of thing that he was likely to hear in Prime Minister's questions at that time. I did, however, face the enormous problem of persuading people that additional resources would make it possible to work on equal terms. It was a fiasco. We had a working party between the two Houses under the chairmanship of Lord Jenkins, as he became. The recommendations had to be voted on on the Floor of the House. We have come a long way since that terrible embarrassment. One Member, who is still in the House, said to me, "You're very lucky to get these extra resources." I said, "I'll swap you any time."

Chris Bryant: My right hon. Friend may be interested to hear that when I was helping to organise the memorial service for John Smith at Westminster abbey and I said that we would need a bowl of water put out for my right hon. Friend's dog, the usher said, "I'm not putting a bowl out for any bloody socialist's dog."

Mr Blunkett: All I can say is that I wish he had not discriminated on political grounds.

There are major challenges facing us. The nature of the Palace of Westminster has changed to some degree, but not enough. It is not quite the old boys' club that it was when my right hon. Friend the Member for Lewisham, Deptford (Dame Joan Ruddock) and I joined in 1987, but people still have in their minds a major psychological barrier about what they will experience here. There are also practical barriers, which have been referred to, in the procedures of the House. I hope that we can be more radical in the next three and a half years than we have been in the 25 that I have been here. Unless we change the way we vote, the knowledge about votes, the way in which the day is organised and the support for families, we will not have the diversity and the reflection of society that all of us in this House want.

I congratulate those who have broken through even bigger barriers than I have been able to challenge in my life. To win a by-election as a member of an ethnic minority is a real step forward. Reflecting on the years gone by, I think that it has been shown that the way in which society gradually changes is reflected here, but we have a role in accelerating that change by the way we behave.

The thing that I have probably done best in my public life and am most proud of is not something from my eight years as a Cabinet Minister or from my time as leader of a council. It is having changed attitudes outside—

[Mr Blunkett]

the way that people perceive not only others but, sometimes, themselves. That is a comfort when things go badly wrong.

I agree that we need to revisit the way in which we encourage diversity in supporting Members. I have to pay tribute—I know that it is not fashionable—to the Independent Parliamentary Standards Authority in relation to disability issues. It has been extremely understanding and helpful in a way that I hope will be reflected in further revisions to support family life, particularly in terms of gender challenges. I look forward to IPSA responding to that challenge.

It is important that the Government are able to respond too. I think that Departments have improved. I hope that the Office for Disability Issues will continue and will be able to make progress, along with the access to public life fund. However, there are still ingrained challenges in terms of covert discrimination. There is no question but that people are sometimes grumpy about being expected to go the extra mile to help those facing a challenge that is perfectly manageable and can be overcome with a bit of thought. People do not like to talk about it; they do not even like to think about it; but, believe me, they do behave in quite extraordinary ways.

What I want to emphasise this afternoon is that we must go right back to the way we develop an understanding of citizenship in schools and persuade the Secretary of State for Education, even at this late stage, not to downgrade the programme we put in place 10 years ago and instead to build upon it. It would be an irony indeed if newcomers to this country who were becoming naturalised were more savvy about politics and better able to get to this House than the population as a whole because they had experienced the necessity of passing the dreaded test. Once we have done that and we have continued to change the nature of our politics and the way we speak to each another, we might get even more progress within political parties.

My hon. Friend the Member for Slough (Fiona Mactaggart) has kindly indicated—I have no buzzer—that I have only a few seconds left, so I will bring my comments to an end. Political parties have made progress, as has been mentioned this afternoon, but, my goodness, there are still major blockages. Unless the political parties take a lead, how can we expect the nation as a whole to do so?

4.30 pm

Amber Rudd (Hastings and Rye) (Con): I am delighted to have the opportunity to speak in this important debate. I feel very strongly, as I know do many fellow Members, that it is important to raise diversity issues constantly in the House in order to get a better outcome for everyone. I saw a very good film this week about a young woman who was very clear and focused on what she wanted to achieve, despite the obstacles in front of her. She became a Member of Parliament and then Prime Minister. As we reflect on the issues we can address in order to raise diversity in the House, I feel certain that many people who see that film, whatever their politics, will be as shocked as I was at the sight of one woman among so many men. The film shows very clearly the difficulties she faced but nevertheless overcame. *[Interruption.]* I now have to put my glasses on—my diversity is something to do with age as well as gender.

We have come a long way since Lady Thatcher, but there is still a lot to do, which is why we are having this debate. Each party is addressing diversity in its own way, but it is absolutely clear to me, having listened to the debate this afternoon, that everyone is committed to it. It is important to say that it is not right to think that there can be one solution for all parties. Each party has different political philosophies and it is inevitable that we will have different ways of approaching the diversity issue. The Labour party has dealt with it through all-women shortlists and quotas and has had its success as a result—of course it has; they are all-women shortlists—but I do not believe that that is a desirable way of introducing more women into Parliament.

Adam Afriyie: In all frankness, had there been all-black shortlists or anything of that sort in the Conservative party, I can honestly say that I would never have applied and made my way to this place, because one's whole life is based on achieving things through one's own abilities, talents and effort, and I would have found it very difficult indeed to have been put on a list based on a physical characteristic.

Amber Rudd: I thank my hon. Friend for his contribution—it is always nice to have one's views confirmed in so eloquent a way.

Where are we now? Some 16% of Conservative MPs are women. Only 12% of Liberal Democrat MPs are women, but it is nice to hear that the Deputy Prime Minister has that in his sights. The figure for the Labour party is 32%, which brings us to an average of 22%. I believe that the figures for the parties masks a very significant success for the Conservative party in introducing more women. It was suggested earlier that the Conservative party effectively had all-male shortlists before, and those of us who have followed party selections and elections to Parliament for some time were slightly surprised at the 2001 general election when only one of the 26 new Conservative Members elected was a woman. However, from that very low base the party has made a tremendous change, and I think that the evidence for that change is the fact that we could achieve it by persuasion, nudge and training.

Between 2005 and 2010, we had a clear strategy to deal with the issue. We had an organisation called women2win—

The Lord Commissioner of Her Majesty's Treasury (Mr Brooks Newmark): Hear, hear!

Amber Rudd: It was ably supported by my hon. Friend—who is here and a man; it is always nice to have a man stand up in support of more women in Parliament—by Baroness Jenkin and by my right hon. Friend the Member for Maidenhead (Mrs May), who is of course the Home Secretary. That organisation did an enormous amount in mentoring and training and, if I may say so, in persuading the Conservative party to improve the training of those who make the selection, because they also need to understand that there are different types of MP.

Dame Anne Begg: I appreciate that all-women shortlists are not for the Conservative party, and that great strides forward were taken at the general election, but the lesson from the Labour party is that if such pressure is not kept up, and if the mechanisms that the hon. Lady describes, which the Conservative party put in place ahead of the 2010 election, are not repeated at the next election and the one after that, the danger is that things will go backwards.

Amber Rudd: I agree. It is absolutely essential that the item remains at the top of the agenda for all political parties, but my point is that my political party will not, I believe, be introducing all-women shortlists. Most of my colleagues agree with that, because it is not the only way to achieve this much-needed increase in the diversity of representation.

After the 2010 election, we had 147 new Conservative MPs, of whom 36—or 25% of the new intake—were women. Now, 25% representation is a big step up from the 9% that we had before 2010, so that approach has been a tremendous success, and we have achieved it without the undemocratic approach of all-women shortlists.

The problem that we are trying to address is not just to do with Parliament, however, because there is a problem with women's representation not just at Westminster but, as we have discussed in previous debates, in public companies, at the top in boardrooms and in different elements of life. I picked up a copy of *The Guardian* recently, and it stated that

"78% of the UK's newspaper articles are written by men, 72% of Question Time contributors are men, and 84% of reporters and guests on Radio 4's Today show are men."

Women and ladies, we need to do something about that.

Margot James: I wonder whether my hon. Friend noticed on the "Andrew Marr Show" at the end of last year its review of 2011. It was a wonderful canter through all the year's political highlights, and approximately 20 politicians featured—but not one woman.

Amber Rudd: I am so grateful to my hon. Friend for improving on my case.

My point is not to hide from the important problem that we have to address in Parliament, but to say that it is a wider problem that the Government as a whole need to address in order to ensure that we get all women to the top of the ladder, and to demonstrate to young women that they, too, can achieve and get to the top. As we have heard, it makes good business sense, and in public life it is absolutely essential, because if we want to be truly democratic we have to reflect the diversity of the whole country. It is more important in Parliament than anywhere else.

It is an incredible privilege to be a Member, but we have a responsibility to ensure that Parliament as a whole reflects the diversity of the country. We should not, however, have a system of mandatory quotas beyond each individual party deciding to make its own case for them, because each party must have its own approach.

To me, and to my colleagues in the Conservative party, all-women shortlists are a form of surrender, because what do we admit if we introduce them? We admit that somewhere the problem is so ingrained that we have to impose a shortlist. It is far better to ask, "What is the problem? Why are we not getting more women, more people from ethnic minorities and more disabled people? And what can we do to support them so that they are equally valued and equally selected in a selection process?" Let us not surrender. Let us not approach the matter in terms of quotas. Let us look at the root of the problem and, in that way, try to encourage more people to come through and, like us, become Members of Parliament.

4.39 pm

Fiona Mactaggart (Slough) (Lab): I was proud to serve as a member of the Speaker's Conference. I apologise to the House for the fact that I will not be here at the end of the debate, because I shall be chairing a charity function.

All hon. Members have agreed that a more representative Parliament is better for politics, above all because of the issue of justice and so that everybody has an equal chance of being elected. It builds people's confidence in democracy to see people such as me in Parliament. It also, and I do not think that we have talked enough about this, leads to better decisions. That is at the heart of the matter.

My right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman) told me that when she was first elected child care was not regarded as a political issue and Parliament never debated it. She and my right hon. Friend the Member for Lewisham, Deptford (Dame Joan Ruddock) were among those who made sure that the issue was normalised in politics.

Shortly after I was elected in 1997, I telephoned the Clerk of the Select Committee on Defence to research how much of a difference women had made in politics. In its 17-year life, that Committee had never had a woman member. There were two women members after the 1997 election. The Clerk said, "Fiona, of course there is a difference. We always used to talk just about weapons and ammunition, and now we talk about the families of the soldiers." We know now how critical the family members of those who are fighting in battles overseas are to their success. Having different voices in Parliament changes the terms of the debate.

In the 1997 Parliament, which recorded the biggest difference in the number of women, we saw our effect in the Budgets. In the Budgets of '97, '98 and '99, the amount of money in women's purses increased by £5.30 a week, compared with an increase of £2.30 in men's wallets. Having more women does not automatically bring that result. We can see, depressingly, that the cost of recent Budgets and the last comprehensive spending review to women has been £8.80 a week, compared with a cost of £4.20 for men.

This issue is not just about representation but about power. Women can have power, but we need to ensure that we have it. One thing that I admired the Prime Minister for saying in opposition was that he aimed for 30% of his Cabinet to be women. There is not enough progress on that aim. In Parliament, one has much more power when one is a Minister. I am shocked that 11 out of 24 Departments have no women Ministers. I urge the Minister for Equalities, who will respond to the debate, to take action on that. Many of the women Ministers are in the other place. There is a shortage of women's voices in Departments, and not just in the little Departments. In the Ministry of Justice, the Department

[Fiona Mactaggart]

of Energy and Climate Change, the Ministry of Defence and the Foreign Office there are no women Ministers. I urge the women on the Government Benches to do whatever they can to change that. If they do not, we will carry on having stupid decisions.

This debate has been partly about the problem of women-only shortlists. I do not regard them as a problem. The only person who has ever called me a quota woman is the woman who stood for the party that held the seat before I took it. Nobody has called me that since. Women shortlists are a tactic, but that does not mean that people who have got here in that way are diminished. There are other tactics that can work, but I do not share the optimism of the women on the Government Benches about the progress that their parties have made.

The hon. Member for Windsor (Adam Afriyie) has something to be proud of in the representation of ethnic minorities on the Conservative Benches, which has changed enormously. I respect the Conservative party for that change. It did not happen through quotas or anything like that, but through a psychological change in the Conservative party, which I genuinely welcome.

I thank my right hon. Friend the Member for Salford and Eccles (Hazel Blears) for her work on the internship programme. We need to consider the fact that, as *The Daily Telegraph* put it, the main qualifications of people in this House are having gone to public school, having gone to Oxbridge and having been in a profession. Two of the three apply to me, although the representation of my profession, school teaching, has reduced. We need more progress on getting more people from manual occupations into the House.

In that regard, I would say that Conservative Members tend to disrespect not only women-only shortlists but the trade union movement. The working-class members of the House have overwhelmingly been able to come here because of the work of the trade unions, and we need to respect the ability of the movement to bring people into politics. It will be one of the ways in which we can get change in the future.

4.45 pm

Iain Stewart (Milton Keynes South) (Con): I am very glad to have an opportunity to participate in the debate, and I add my congratulations to the hon. Member for Aberdeen South (Dame Anne Begg) on helping to secure it. I support the motion, although I must express slight disappointment that it omits to mention one fact that we should celebrate, in which I declare an interest—that in this Parliament we have a record number of Members who are openly gay or lesbian.

Dame Anne Begg: The remit that was given to the Speaker's Conference did not specifically include that matter—it included "other connected purposes", but interest in the issue was implied in everything that we did.

Iain Stewart: I am very grateful to the hon. Lady, and I acknowledge that she mentioned the matter in her speech.

Relatively recently, declaring one's homosexuality was completely taboo. It is only just over 25 years since the now Lord Smith publicly declared himself as the first out gay Member, although I think there were quite a number of Members of that persuasion before that who chose not to say so, especially on the Conservative Benches. It is significant that for the first time the majority of LGBT Members are on the Conservative Benches, which represents an enormous transformation for our party. It would not have happened even relatively recently.

There is still sometimes a stigma, however, and some negative campaigning still goes on. Although all parties are signed up publicly and at leadership level, at constituency level there can sometimes be discrimination in subtle or unsubtle ways. I personally had no problems at all in my campaign in Milton Keynes. My opponents did not make any reference at all to my sexuality, and we had a completely fair and open contest. However, I know that in other constituencies where there were openly gay candidates, some fairly nasty comments were made. Other candidates would proclaim their family credentials, or there would be mentions on commuter trains that a particular candidate happened to be gay. Little things like that still represent a barrier, and we all have a job to do to ensure that such prejudice is stamped out.

I agree with much that has been said in the debate about how we can widen the diversity of this place so that it is representative of the nation as a whole. One of the most powerful things that we can be is role models. That applies to people who are of a visible minority and those who represent diverse backgrounds, be they professionals, carers or people from modest council house backgrounds. People who might be inspired to go into politics need to be able to see that there are people like them in Parliament. That is one of the most powerful ways of getting more people involved in politics.

We should not underestimate the role of individual Members in being ambassadors in our constituencies and encouraging people to engage in politics and come forward as candidates. I do a lot of work going around schools, both primary and secondary, to make pupils aware of politics and Parliament. Sometimes that can lead to some awkward questions in primary schools—I went to one school and the first question I was asked was, "Why are you here?" The supplementary was whether I had met Doctor Who. We have to be prepared for such eventualities. Engaging with schools, being visible as an MP and talking about the role of Parliament are incredibly important. I also organise a schools parliamentary debating competition each year and bring the finalists here to give them experience of Parliament.

With my colleagues in the constituency, I have set up a community engagement group to make myself accessible to the different minority ethnic and religious groups, so that they feel that I have direct contact with them. Through that, they can be inspired to come forward as council or parliamentary candidates. There is a lot that individual MPs can do.

Jo Swinson: I am listening to my hon. Friend with great interest. He is absolutely right that MPs have a role and responsibility to encourage others to get involved in politics. Does he agree that asking a women whether she wants to be a parliamentary candidate is perhaps the sole occasion when if a woman says no, it does not always mean no? Sometimes people need quite a bit of nudging and encouragement before they feel they have the confidence to stand for election to this place.

Iain Stewart: I absolutely agree with my hon. Friend. Another way we can do that is by bringing young people into our offices, whether that be for a short period of work experience or for a longer period as interns, to give them an insight into what we do.

Hazel Blears: The hon. Gentleman mentions parliamentary internships. Does he recognise that it is often difficult for people from working class backgrounds who do not have money or financial backing, or people who do not have parents who live in London, to be interns in Parliament? Would he support a campaign to ensure that there is sufficient financial support so that we can redress that balance?

Iain Stewart: I agree with that—and it leads me very neatly to my next point, which is on support for people who want to stand for Parliament.

I was very lucky. I was a candidate for three general elections before I got in—*[Interruption.]* I got here in the end. I was lucky as I did not have a family to support, and I had a relatively well paid job and an enlightened employer who was willing to give me the time to do all the work a parliamentary candidate must do. Many people who would come forward as parliamentary candidates are inhibited because they do not have the financial wherewithal or the time because of their employment. That is an important aspect.

I am running out of time, but let me highlight one thing that we should do and two that we should not. Parties should use professional head-hunters more to encourage people who might not otherwise think of a parliamentary career. I used to be a head-hunter, but no longer, so I do not have to declare an interest. Part of my role was to find people for commercial companies and the charity and public sectors to make boards more diverse, so that they reflected society as a whole. That should be extended to the political arena.

Let me quickly put on record a couple of things that I do not think would be helpful. Although I accept that it should be for each political party to decide, I do not agree with quotas. I would hate to be here because I was elected from an LGBT-only shortlist. I would find that incredibly patronising. I got here on my own merits, because I competed with anyone else who wanted to go for the seat.

In my last few seconds, I should sound a discordant note on reforming the hours of the House to make them more family friendly. Such reform is a red herring. If we want to tackle the hours of the House, we should look at the resources we have and the work that Members have to do, not at chopping and changing the order in which we do that work.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. I should point out that it is a coincidence that I am in the Chair for this debate, but I guess it could not be more appropriate.

4.54 pm

Hazel Blears (Salford and Eccles) (Lab): It is a pleasure to follow the hon. Member for Milton Keynes South (Iain Stewart) and to congratulate my hon. Friend the Member for Aberdeen South (Dame Anne Begg). I have rarely been in the Chamber when there has been such agreement and such good-humoured and good-tempered debate. It is very encouraging to see that, because we want to make progress.

I was thinking about why it is important for Parliament to look like the communities we represent, which is something we have been talking about for what seems like decades. It is important in terms of fairness and justice, but, more and more, it is about good governance, competence and making the right decisions for the future of this country. I have always believed, including in every job I held before I came to Parliament, that if we get a good range of people with different life experiences around the table, we often make the right decisions.

If we think about some of the decisions we make in relation to politics, education, social services, transport, jobs and the economy, it is clear that nothing can be more important to the lives of individuals, communities and families than political decisions. That is why I feel passionately about the fact that this House is not representative. It will take us a long time—decades, we have heard—to get where we want to be in terms of equality between men and women.

We should talk about these issues, and the report provides an excellent anchor which will enable us to do the monitoring and the evaluation and really to push this agenda. However, we can talk all we like—what we need is practical action to make sure that we make progress on this agenda, and that is what I want to talk about.

It is important that we recognise how far we have to go. Research at the last election showed that 10% of the 2010 intake of MPs came from just 13 schools, while 33% of all MPs were privately educated, compared with just 7% of the total population. All three party leaders were educated at Oxford or Cambridge, which is no fault of theirs. The Government contain a preponderance of people from a very similar background. I am not criticising the Government, because the same applies to all political parties, and we have seen that trend increase in recent years. That is one reason people outside think Parliament is not full of people like them or a place where they can go and make their contribution.

Another trend is making politics even more exclusive. During the past 20 years, one route to becoming an MP has become increasingly common. People come to work for a Member of Parliament in Westminster and perhaps go on to become a special adviser, before being selected for a safe seat in pretty short order. Of course, it took some of us 12 years to get to Parliament, which is something I have in common with the hon. Member for Milton Keynes South. After that, people might become Ministers, before ending up in the Cabinet. That means that a very narrow group of people make some of the most important decisions in this country.

Three years ago, when I was in the Cabinet, I made a Hansard Society speech, in which I said I was very worried about the health of our democracy because of the growing trend I have described. In 1970, 3.4% of MPs said they had a background as a political adviser. In 2005, the figure had gone up to 12%. In 2010, it was 24%—a quarter of Members of Parliament, from all political parties, had come through this political route.

One thing people do is to get internships in Westminster, but that is difficult for those who do not live in London or do not have parents to provide financial backing,

[Hazel Blears]

because many internships are unpaid. Recommendations 15 and 16 of the Speaker's Conference report say that there are several problems. Often, internships are not advertised, and people find out about them by word of mouth—it is about who you know. If internships are unpaid, that is difficult. It is also difficult for people to plan things, because internships are sporadic, and it is not clear when they will arise.

I have therefore spent the past year with the hon. Member for East Dunbartonshire (Jo Swinson)—she is my hon. Friend in this context—and the hon. Member for Lancaster and Fleetwood (Eric Ollerenshaw) working on fundraising so that we can have a paid internship scheme in Parliament. We have the enthusiastic backing of Mr Speaker, who has been marvellous. The Speaker's parliamentary placement scheme has a small seed fund of £25,000 from the House of Commons Commission. We have now raised several hundred thousand pounds from organisations such as Morrisons supermarkets.

Amber Rudd: I am fortunate enough to have one of those interns in my office. He is a huge asset to the office, so I congratulate the right hon. Lady and the other hon. Members who have pulled this off, because it makes an incredibly important contribution to democracy in this place.

Hazel Blears: I am grateful to the hon. Lady for that comment. I am also grateful to hear of the excellent role model in her office. All the reports I get back are positive.

As I said, we have had support from Morrisons supermarkets, which has been great. We have also had support from Clifford Chance lawyers, Prudential, AXA, Aviva insurance, Diageo and Sahara Group. We are constantly on the lookout for more people who would like to support us, so if any hon. Members are aware of possibilities, it would be helpful to hear about them. We have had help with housing from the Broxbourne housing association. It is virtually impossible for people to come and work here in Parliament if they do not have housing. We also have a firm of head-hunters, Ellwood and Atfield, helping with CV-building and interview techniques.

The interns work with their MPs from Monday to Thursday, and the House authorities are providing a brilliant training programme for them on Fridays. They are working in education and outreach, and in statistics and research. They are learning how the House works, and how we get a Bill through the House, for example. It is a fantastic, life-changing experience for them.

Claire Perry (Devizes) (Con): May I also add my congratulations to the right hon. Lady on working so tenaciously on that important scheme? Would it be possible for MPs to top up the scheme with any left-over Independent Parliamentary Standards Authority allowances? I have a bit of money left, but it is not enough to employ a full-time intern. However, I would like to contribute to the pool. Is that a possibility?

Hazel Blears: That is an excellent idea. The more innovative ideas on this agenda we have, the better. Money is tight, and Members of Parliament often have hardly enough money to run their offices, but if any small amounts are left over, it is a great idea to use them to enable us to create more placements.

We have 10 interns this year. They started in November, and they are amazing people. They have been through a rigorous selection process. The Social Mobility Foundation is administering the scheme for us, and I want to place on record my thanks to David Johnston, its chief executive, and, in particular, to Katharine Sanders, who has gone above and beyond the call of duty in organising housing and passes, for example, and giving pastoral support and genuine personal support to the interns. Neeta Patel, who is working on the House training scheme, is also doing a marvellous job. All the interns will also get placements within the sponsor companies, which will give them commercial and business exposure. The Deputy Prime Minister has also agreed that they can have placements in Government Departments, which will give them experience of what it is like to see Ministers at work, as well as learning about the work of the House.

I want to mention a few of the people on the scheme. They might well be watching the debate. Deborah has a background in retail—she has worked in Marks & Spencer—and she has worked in the charity sector. Abdul, another of our interns, was kidnapped at the age of eight in Liberia and forced to be a child soldier. He has since worked his way through university and now wants to make politics less brutal than the politics that he has experienced. James was an unemployed joiner in Glasgow, and he is now working with the Leader of the Opposition, so his life has changed quite dramatically as well.

The scheme will change people's lives. Some of those involved might want to work here full time; others might want to stand for office. It is a small scheme, but we are hoping to take on more people next year and the year after. I want to put it to the Minister that, as the Government have put the scheme into the social mobility strategy, they should have a responsibility to provide at least matching funding for it. The private sector contribution should continue—it is a great way of getting industry and commerce involved—but the Government need to stand up and get behind the scheme. I would very much welcome the Minister telling us today that it is their intention to do so.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. We have exactly half an hour left for Back-Bench contributions, so, in the spirit of this consensual debate, will Members please remain conscious of the time?

5.3 pm

Paul Maynard (Blackpool North and Cleveleys) (Con): It is a pleasure to speak in this important debate, and I pay tribute to the hon. Member for Aberdeen South (Dame Anne Begg), and to the Speaker's Panel as a whole, for putting the report together. I also note, as have others, that we have had a general election since it was published, and that that has given rise to a more diverse Parliament.

I have listened carefully to the concerns about what might happen in 2015, but I have to say that I do not share them. I have tremendous respect for the Labour

party as an institution, but I have never attended a Labour party meeting. I pray to God that I never will! Culturally, Labour has a very different attitude to the Conservative party, and I think it is fair to say that what works for Labour would probably not work for us. I love the Conservative party dearly, but I sometimes think that, in regard to candidate selection, there is a bit of push-me, pull-you involved. The more people try to tell us what to do, the more we rebel against them. My hon. Friend the Member for Windsor (Adam Afriyie) made it clear that there was a sea change on this side of the House at the 2010 election, and I do not think that we will go backwards from that point. We are an evolutionary party. Changes occur gradually and then suddenly, whoosh, they start to occur very rapidly. I therefore have much more confidence than some hon. Members.

I am reluctant to serve up cold maiden speeches from two years ago, so I will not do so, but I made the point that, although I did not want to dwell on my physical disability, my cerebral palsy or my epilepsy, I was likely to end up as a role model, whether I liked it or not. That has certainly been the case.

Many people come to me saying that they want to get more involved in public life generally. I think this is a fundamental issue that has been missed in the debate so far, as it is not just about getting more diverse Members of this House. I was at a RADAR—Royal Association for Disability Rights—reception at Downing street, and I pay tribute to the work it does in this field. It told me that it wanted more leaders in public life as a whole, not just in this Chamber. It is vital that more diverse people act as counsellors, as these are the people who will be acting on selection panels to select our successors and our candidates. By broadening the political base, we are contributing to broadening the membership here.

I echo what the hon. Member for East Dunbartonshire (Jo Swinson) said about section 141 of the Mental Health Act. People might think that it is a rather abstruse measure or small print in legislation that needs to be tidied up at some point. However, I think it is fundamental, and the longer I think about it, the more strongly I become convinced of that viewpoint.

I am one of two MPs who have announced in the Chamber that they have epilepsy. This is the first Parliament to include MPs who have been open about that. In the past, for reasons I have never quite understood, people were concerned not to talk about it. Because my hon. Friend the Member for South Thanet (Laura Sandys) and I have been able to talk about it, we have seen a more rapid change in Government attitudes towards epilepsy. When I spoke about my own personal experiences in a Westminster Hall debate—not just about my epilepsy, but about speech therapy, cerebral palsy and all sorts of other issues on which my life gives me a unique perspective—I was surprised when other Members came up to me afterwards to say, "That's a really useful contribution you made." It struck me that what I said was utterly unexceptional and that I was just filling time in the parliamentary schedule, as it were, yet others were saying, "That was fantastic; that was wonderful." It really makes a difference. If more people are able to talk about their experiences, it will improve policy. I think that echoes a point made by the right hon. Member for Salford and Eccles (Hazel Blears).

Seema Malhotra (Feltham and Heston) (Lab/Co-op): The hon. Gentleman raised an important point about the contribution of diverse communities to public life as a whole. I was involved in running a cross-government diversity programme aimed at increasing the contributions from all communities to our public boards. Does he agree, however, that the focus has to stay on increasing diversity in Parliament? According to the Inter-Parliamentary Union, our Parliament ranks joint 49th in the world when it comes to the number of women in Parliament. Should not all parties try to maintain our goal of making our Parliament more representative of Britain as a whole?

Paul Maynard: I thank the hon. Lady for that thoughtful contribution. It brings me back to what I said earlier—that it is for each party to find its own path towards the greater diversity that we all wish to see. Conservative Members will have their path; the hon. Lady and her party will no doubt have their path—but we all want to get to the same destination.

My bigger concern is that in 10 years' time, a Speaker's Panel will be aiming not for a more representative Parliament, but for a Parliament of people who are not independently wealthy. My big fear is that what is really happening in politics at the moment is that people from ordinary backgrounds, like me, who have struggled to fund their own campaigns and to make ends meet are going to be excluded. I am not trying to say that I am poor by any means, in view of my salary, but I was a candidate who lost his job before the election and was not quite sure what to do. It was a genuine struggle to make ends meet. Thank God I had a credit card!

We have a problem. There will increasingly come a time when unless candidates are of independent means, having made their money before they chose to enter politics, politics will not be a practical option for them—no matter what their family circumstances, no matter what their skills and no matter what minority or political party they seek to represent. We will have a much narrower democracy. That is why I welcome the internship scheme that the right hon. Member for Salford and Eccles mentioned. That is why, in Blackpool, I am trying desperately to explain to people why Parliament is relevant to them. It is also why I want more schools to come here. I am delighted that next week the first primary school from my constituency will be coming. It has been a battle, but at last the schools are starting to come down to Westminster. Like my hon. Friend the Member for Milton Keynes South (Iain Stewart), I go around schools trying to explain what I do, and I get more pleasure out of my politics every time someone comes up to me and says "I would never dream of voting for you—I cannot stand your party—but I like what you are doing as a human being."

I want the general public to see in their MPs people who they feel are just like them. That, to me, is the most crucial thing of all.

5.10 pm

Chris Bryant (Rhondda) (Lab): I slightly disagree with the last remark made by the hon. Member for Blackpool North and Cleveleys (Paul Maynard). If we are honest, we are all a bit weird, are we not? After all, by definition, we wanted to come here. The hon. Member for Devizes (Claire Perry) is pointing at me. That is not

[Chris Bryant]

very kind. I could point back, because I do not think that she is any less weird than I am.

There are two fundamental principles. The first is that we should never judge people according to the colour of their skin, their gender, their sexuality, the school that they went to or the accent with which they speak. We should only ever judge people according to the strength of the convictions that they hold, the strength of their personal character, and whether they are able to see their convictions through in their lives. Surely the political system should embody that principle.

The second principle is that, broadly speaking, Parliament should look like the country that it is meant to represent. There are several reasons for that, some of which have already been given today. First, it makes Parliament more effective and efficient, and we end up with better legislation. People can spot some of the holes in an idea that is being advanced because they know from their own lives whether it works or not, and how it affects them. The advent of women in Parliament undoubtedly meant that a whole raft of legislation was improved, because, frankly, men simply did not know what they were talking about. I can see hon. Ladies thinking that perhaps that happens all the time generally.

Secondly, Parliament is more likely to embrace the people's priorities. Rather that its being obsessed with a few things that might have interested a self-chosen elite, the views of the whole of society are expressed on its Order Paper and on the agenda for political action, and that must surely make it better.

Thirdly—this has not been mentioned yet—it is all very well in politics to legislate, to pull a lever, but if the legislation has no effect out in the country because it has no public support, it will have no real chance of effecting change. A Parliament that looks more like the society that it is meant to represent is able to carry that society with it more effectively, and that means that can effect change more convincingly.

We are, I think, nowhere near being able to meet either of those two principles. A number of Members have reminded us today that for many centuries no women were allowed to vote or to sit in here. Of the first two women who were allowed to sit in here, one was a countess and the other was a Lady—not that I have anything against Ladies, or against Dames, who seem to be multiplying on the Opposition Benches, or even against pantomime dames. Similarly, I believe that two of the first women to arrive in the House of Lords were the daughters of viceroys, and that one was married to a viceroy. The change needs to be far more substantial.

I pay tribute to the hon. Member for Milton Keynes South (Iain Stewart) for what he said about lesbian, gay, bisexual and transgender Members. It is significant that we now have more out gay Members of Parliament than ever before. Indeed, sometimes when you go into the Strangers Bar you feel as though you are in Rupert street. It is virtually a gay bar now, and my husband sometimes worries about whether I should be allowed in there any more.

Even the numbers that we have, however, do not come near matching the numbers in the country in terms of the percentage of the population. It is a great sadness to me that there are still only two out lesbians in Parliament, because two prejudices have been, as it were, tied together to form one. I pay tribute to those who have come out. That is difficult however, as not every gay person wants to be out, and I do not think they should have to be. I disagree with what the hon. Member for Milton Keynes South said about role models. I hope to God nobody will ever think of me as a role model in relation to anything whatsoever at any time. *[Interruption.]* The hon. Gentleman says that I should not worry about that, because nobody does. That is very generous of him. I was once described in the *Daily Mail* as an ex-gay vicar; I just want to point out that I am an ex-vicar, but my gayness is extant.

Turning to disabilities, it is important to remember that not every disability is visible. There have been disabled MPs for many centuries, including Philip Snowden, Labour Chancellor in 1924, and the first Earl of Salisbury, who was profoundly disabled and a Secretary of State. The barriers for many people with disabilities are still great, however, such as in terms of this building itself and the way in which we do our business—the way we vote and so forth.

As the Member of Parliament for the Rhondda, I would also like to point out that the biggest difficulties of all face working-class people who may want to enter the House. That is partly because of finances, as standing for Parliament is prohibitively expensive. Ironically, there is now also a problem at the other end of the scale, in that the pay and conditions in Parliament seem prohibitive to people in professional jobs who expect to earn £100,000, £120,000 or £150,000.

This issue is not just about being representative; it is also about representing, and we should do that with courage and determination.

Mr Deputy Speaker (Mr Nigel Evans): Five Members still wish to speak, and we have just over 15 minutes left, so according to the maths if each of them speaks for about three minutes everybody will get in—a bit of moral blackmail there.

5.16 pm

Margot James (Stourbridge) (Con): First, I warmly congratulate the hon. Member for Aberdeen South (Dame Anne Begg) on securing the debate, and on the important contribution that she makes to this whole subject area.

The main parties have each in their own way done a great deal to reduce discrimination in the candidate selection process. The difference that the Labour party made in 1997 was phenomenal. Although I do not agree with all-women shortlists, I certainly do not have a closed mind on the subject when I see what they have achieved for the party. The difference for Conservative women just between 2005 and 2010 has also been amazing. In 2004, when I was applying for a seat in Berkshire, I was given an interview and told in a letter that were I to make the final round, I would be welcome to bring my wife to drinks beforehand—and I do not think that its authors were so forward-looking that they were taking into account future gay marriage legislation.

One of the main reasons why still not enough MPs are women or from minority groups is that they do not come forward for selection in adequate numbers. There are many reasons for that, several of which have already

been mentioned. I would add that the personal, and sometimes sexist, coverage of women MPs in the media is also a factor, as is the general level of aggression in some aspects of political debate. Moreover, the opprobrium that is heaped on MPs who make a misjudgment or get something wrong is often out of all proportion to the seriousness of the supposed offence. We have already seen that this year in respect of one hon. Member. The Independent Parliamentary Standards Authority is another factor, but I will not dwell on that.

Those factors put many people off entering public life, but they put off a higher proportion of women and people from minority groups. There are certain things we can do, and some of them are in the gift of the Prime Minister. I was delighted to hear that he is intent on having one third of his Government made up of women by the end of this Parliament. The hon. Member for Slough (Fiona Mactaggart) has drawn attention to some of the many Departments that have no woman Minister. It is breathtaking that not one of the 15 Ministers in the Departments of State that face the outside world—the Foreign Office, the Ministry of Defence and the Department for International Development—is female. What message does that give to women who are struggling for the most basic human rights in the developing world?

Returning to the broader issue of diversity, I want to place on the record my gratitude to the Prime Minister and the previous but one Prime Minister for the amazing progress made since the turn of the century in the area of gay equality. The number of openly gay MPs in my party increased sixfold or sevenfold, as we have heard, at the last election. That is testimony to the legislative changes introduced by the Labour Government under Tony Blair, and to the cultural change in the Conservative party brought about by the present Prime Minister. I would not be standing here today without them, and I am deeply grateful to both of them, and to others such as the chairman of the Stourbridge Conservative association when I was selected, Councillor Liz Walker. These people have made possible a journey that I embarked on at the age of 16, and I am deeply grateful.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Nigel Evans): Order. I am introducing a three-minute limit, just to focus people's attention.

5.21 pm

Mr David Nuttall (Bury North) (Con): I believe that when political parties are selecting candidates, what most people want to see is that they are selected purely on merit and not according to a given particular characteristic, be it gender, faith, disability or what sort of relationship they may be involved in. Everyone should have an equal opportunity to apply to become a candidate, and by all means, we should be encouraging as many people as possible to come forward for selection. However, personally, I do not want to see the imposition of quotas, which in reality mean fixing the result of the selection process before it has even begun. By their very nature, the use of all-women shortlists, for example, discriminates not just against men as a whole, but, by extension, against men belonging to a group under-represented in the House, such as those from a working-class background.

It is entirely wrong that those who seek to remedy what they perceive as discrimination against women should adopt as their solution the practice of all-women shortlists, which discriminate against men. We should oppose all forms of discrimination and not seek to legitimise it, as happened with the passing of the Sex Discrimination (Election Candidates) Act 2002.

Good candidates will always rise to the top. As has been mentioned, Margaret Thatcher became leader of our party, and Prime Minister, without the need for any special help. As she said in her book "Statecraft",

"the use of quotas applying to the appointment or promotion of individuals because of their collective identity or background is an unacceptable incursion on freedom, however well-intentioned the motives. Nor does it help those who are its intended beneficiaries. Individuals from these groups may well feel patronised; their professional reputations in posts which they would anyway have attained on merit are diminished, because they are thought to occupy them by special privilege; and they are likely to become the targets of resentment and possibly even ill-treatment."

The report of the Speaker's Conference stated:

"at present few people think that members of Parliament understand, or share the life experience of the people they represent (their constituents). Building and restoring public faith in Parliament is of crucial importance to the future of our democracy."

One certain way to alienate voters up and down the country is to put forward as candidates to be their potential representatives people chosen on the basis not of merit but of their gender.

5.24 pm

Mary Macleod (Brentford and Isleworth) (Con): I thank the hon. Member for Aberdeen South (Dame Anne Begg) and the Speaker's Conference for reminding us of the importance of this issue by holding this debate. The comments made by hon. Members from across the Chamber have shown that this is about improving our democracy and recognising the contribution that a more diverse group of Members can make to this Chamber.

I want the focus of my few remarks to be the issue of women. The issue of female representation arises not only in Parliament, but in the boardroom, where the level of representation is just 15%. In addition, the level of female entrepreneurship is less than half of that for men, so there is still a lot of work to be done. However, like my hon. Friend the Member for Hastings and Rye (Amber Rudd), I watched the scenes from "The Iron Lady" this week and I can tell the House that, as my hon. Friend the Member for Milton Keynes South (Iain Stewart) said, role models are important. The first female British Prime Minister inspired me and many others to get into Parliament, as she showed that women can believe in themselves and achieve the highest office. We have made a difference, because whereas female MPs made up 3% of this House when Margaret Thatcher came to power, the level is now 22%. So some progress has been made and, although there is room for improvement, a third of coalition female MPs have a Government role, including Parliamentary Private Secretaries. Defence has been mentioned, and we certainly have a great PPS in defence with my hon. Friend the Member for Devizes (Claire Perry).

In the world rankings in this area, the UK comes 49th in the national Parliaments list, below Cuba, Uganda, Afghanistan and Iraq. That puts things in perspective

[Mary Macleod]

and it is why I set up the all-party group on women in Parliament. It is important that this House reflects the vitality and modernity of our democratic processes.

Margot James: On the international point that my hon. Friend makes, does she accept that in some of those countries a lot of the women who fill those quota places are, sadly, place women and often they are not there on any particular merit other than their connections to—mostly male—members of the establishment in those countries?

Mary Macleod: I agree with my hon. Friend. There is certainly more work to be done in communicating with Governments elsewhere about what else they can do to increase female representation in their Parliaments, and not necessarily by using things such as women-only shortlists, with which I do not agree.

I wish to make a point about the importance of media coverage in politics, a subject that has been mentioned by my hon. Friends the Members for Hastings and Rye and for Stourbridge (Margot James), as it does play a part in the perception of women. How can we increase the number of women in Parliament? We have to start with people who are at a very young age; it is about teaching politics in school, and engaging these young people in community projects and on local issues. We need to show them that they can make a difference, even as a young person, to their local communities. The hon. Member for Aberdeen South talked about the importance of making a continuous rather than a one-off effort. The Conservative party is maintaining that approach by continuing the encouragement and support of female candidates, stretching out and finding new and great people who can represent our country in the future.

In conclusion, we might in future need to examine the challenge of the "gang", hostile culture in the Chamber. I sometimes think that it would not be accepted in the classroom or the boardroom, so why is it accepted in the Chamber? Women are a growing force in employment and in public life, and it is incumbent on each of us to encourage and inspire the next generation of people in this country, from all backgrounds, to shape the future of our country.

5.28 pm

Penny Mordaunt (Portsmouth North) (Con): I recognise the merits of a diverse Parliament, both in the quality of what we do and in the perceived and actual relevance to the country of our work. However, I do not think that being middle aged, middle class, white or male are disqualifications for this job, any more than they are recommendations. I am not in favour of all-women shortlists or quotas. If I were, perhaps I would be asking today why we should just stop at measures focused on would-be candidates and why we should not just ask half the white male MPs to vacate their seats at the next election. I think that would strike most people as unfair, but it is no less unfair than a measure that seeks to remove prejudice on the basis of skin colour or gender by denying a generation of candidates their chance because of the particular colour of their skin or their particular gender. The only sort of under-representation about which we should be concerned is the under-representation of talent.

As we have heard, the three things that principally stand in the way of the talented minority candidate are money, prejudice and process. For example, a friend of mine who was a would-be candidate was lucky enough to get through to the latter rounds of several constituency selection panels, but unfortunately for her they were all on the same weekend. She had to spend in excess of £700 to transport herself and her husband around those meetings and on child care, so Members can imagine her despair when she received the ironic feedback that she had not been selected and that the only blemish on her impeccable score sheet was that her husband had not bought a raffle ticket. Even worse than such petty reasoning is open prejudice. The way to tackle any instinctive opposition to female, BME or other candidates is not to deny local associations their liberty to chose or to constrain them to pass over a generation of talented men in the name of all-women shortlists, but to bring the process out from the dusty backrooms and into the light of day. There should be much more training, advice and education for selection panels on how to score candidates against one another properly.

Parties must also recognise that candidates cannot fund themselves to the nth degree. Travel and other reasonable costs incurred by candidates seeking a seat should be paid from central party coffers. That would not only encourage the less well-off to come forward but focus the minds of those who decide who makes it on to the approved lists. In tackling that financial burden, the central parties should also assume responsibility for co-ordinating selection meetings. Local associations should be able to choose their agendas, but they should have to fit in with a national grid on which all associations should block their selection meetings. For example, a prospective candidate with a caring responsibility who was therefore tied to a particular geographical location might be unable to take up the handful of opportunities to be selected for such a seat because all the selection meetings had been scheduled on the same morning. A bit of basic organisation would substantially increase that person's opportunities.

Mr Deputy Speaker (Mr Nigel Evans): I call Simon Hughes, who has until 5.33 pm.

5.31 pm

Simon Hughes (Bermondsey and Old Southwark) (LD): Thank you, Mr Deputy Speaker, for giving me the opportunity to make what might be my shortest speech for a long time, which might be a consolation to many people.

A friend of mine called David Buxton, who stood to be a councillor, was the most profoundly deaf person ever to become a councillor in England. He taught me a long time ago how difficult it is for someone who comes from a disadvantaged position to be treated equally and given equal opportunities. The debate has shown phenomenal consensus in Parliament and between the political parties about where we go next. The messages are clear: a more diverse Parliament gives us better decisions, better debates, better information, better credibility and more interest in Parliament. I pay tribute to the hon. Member for Blackpool North and Cleveleys (Paul Maynard), who made that point so effectively.

We need to send out an appeal: in this House we need more young people, more old people, more women,

more people from the black and minority ethnic communities, more people with disabilities, more people who are lesbian, gay, bisexual or transgender and more people from the faith minority communities. We also need more people from working class backgrounds, council house backgrounds and lower income groups. We need to go on with that agenda until half the House is made up of women and until we reflect fully the ethnic minorities of our country.

I promised that I would sit down at 5.33 pm, so let me end with the following point. Above all, we must ensure that every one of our political parties has a membership base in its constituencies that reflects the constituency and a councillor base that reflects the constituency, too. If we have a proper base, we can have a Parliament, chosen from the people, of whom we can be proud in the years to come.

5.33 pm

Kate Green (Stretford and Urmston) (Lab): It is a pleasure to respond to a debate which, as my right hon. Friend the Member for Salford and Eccles (Hazel Blears) said, has been characterised by so much harmony. Across the board, beginning with the welcome opening speech made by my hon. Friend the Member for Aberdeen South (Dame Anne Begg), we have seen a recognition that a Parliament that is unrepresentative of the make-up of the country is, by definition, a failure of democracy. Although we can all be proud of the progress that has been made, no one can doubt that we still have a great deal to do.

Important points have been raised by hon. Members across the House about party processes and procedures for encouraging, preparing and selecting parliamentary candidates. Important points have also been made about the experiences of Members and their staff in carrying out their parliamentary duties and about the barriers that might need to be dismantled. I hope to touch on a number of the comments on those areas, which were addressed in the recommendations of the Speaker's Conference. The recommendations covered party practices and processes to promote diversity among candidates, issues to do with meeting the costs of candidacy, on which a number of hon. Members have rightly commented, and ways of working in Parliament.

Let me start by picking up on comments about the processes to encourage more women to apply to become parliamentary candidates on the all-women shortlists. I am proud that Labour introduced all-women shortlists and I am proud of the significant improvement in female representation that we achieved as a result. I am also pleased that we took the opportunity in the Equality Act 2010, at the end of the previous Labour Government, to extend to 2030 the possibility of parties' using all-women shortlists. However, I remind hon. Members that that is a choice for political parties and there is no sense of imposing on any party the use of all-women shortlists within the political process. None the less, it is undoubtedly a tactic that has produced a significantly improved outcome not just for my party but in setting the tone that other parties have been able to pick up and follow in seeking to meet the success we have had.

I am proud to have been selected on an all-women shortlist for my constituency. I have never felt that I needed to apologise for that or that it suggests I am in some way less capable of doing the job than any other parliamentary colleague. Indeed, I strongly suspect that, as my hon. Friend the Member for Slough (Fiona Mactaggart) said, few Members would be able to identify which women had been selected through an all-women shortlist once they were in this place.

There has been progress in other areas, as well as on improving the diversity of the membership of this House, and I pay tribute to the House administration for the improvement we have seen there. I particularly welcome the establishment of the workplace equality networks, which are proving effective and successful for parliamentary staff and visitors to Parliament. Other hon. Members have commented on the work of the Select Committee on Procedure in consulting on parliamentary hours and the parliamentary calendar, and I was very pleased that my right hon. Friend the Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) pointed out that even the Independent Parliamentary Standards Authority has done its best to be more supportive. I pay tribute to a number of hon. Members in that regard, including the hon. Member for Windsor (Adam Afriyie), who has done a great deal to encourage IPSA to take a wide-ranging and imaginative view of the family responsibilities that hon. Members face.

There has been progress, but there is much that we need to do to offer to MPs and their staff a working environment that bears greater resemblance to the normal working world outside Parliament. I am often told, and by no means just by those who have spent many years in the House, that that is not an apt comparison, but I strongly beg to differ. An unhealthy, dysfunctional and non-family-friendly working environment is not good for hon. Members or for our effectiveness and it is simply off-putting to many people outside Parliament who might otherwise aspire to join us. It provides a poor exemplar of good, modern behaviours and practices in employment more generally and I am very pleased that the Speaker's Conference took notice of that specific issue.

I want to spend a couple of minutes discussing the recommendations of the Speaker's Conference that deal with stimulating and supporting individuals from a diversity of backgrounds to come forward and be successful in seeking selection—a subject that a number of hon. Members have touched on this afternoon. The motion is right to highlight concerns about the impact of the Government's planned changes to parliamentary constituency boundaries. I hope that all political parties and Parliament itself will take the opportunity to conduct an audit of the impact of that change so that we can be informed collectively about the steps that might need to be taken in light of those changes to secure and promote the greater diversity that might be at risk as a result.

Even if that is not a worry, the continuing under-representation in Parliament of minority and protected groups must concern us. As many parliamentary colleagues have said this afternoon, the legitimacy and effectiveness of Parliament depend on its diversity and representativeness. Political parties, parliamentarians and Parliament itself must therefore pay attention to how we attract future parliamentary candidates. As others have said, for many people in our country, the idea that they could ever enter Parliament is simply unimaginable. The consequence is that we have a Parliament that still looks too much like a place for a narrowly drawn and privileged elite.

[Kate Green]

That is the case for all political parties. It is not to say that we lack empathy or that we are not doing a good job, but as my hon. Friend the Member for Aberdeen South said in her opening remarks, we all bring our life experiences to Parliament. Perhaps the most eloquent contribution we heard this afternoon, which highlighted why that is important in the way we act as legislators, was the speech of the hon. Member for Blackpool North and Cleveleys (Paul Maynard). He showed us powerfully how important it is that a diverse range of life experiences is reflected in the House. If those life experiences are not adequately reflected, if they are too limited, we shall inevitably have less insight. We risk making poor and poorly informed decisions, and we shall lack credibility as legislators. I hope that careful note will be taken of the recommendations of the Speaker's Conference which will help to make entry to Parliament a real option for people from a much greater diversity of background.

In that context, I endorse the comments of my right hon. Friend the Member for Sheffield, Brightside and Hillsborough about education and citizenship. There is an opportunity to do more in schools and, as the Speaker's Conference recognised, with social and community groups. Like others, I suggest that it is important that we get in early and work more proactively with young people. In that regard, I am pleased that we continue to welcome the Youth Parliament to the Chamber—I do not think that has been mentioned this afternoon. It is a great opportunity to open up to more young people the concept of representative democracy and the possibility of being part of this Parliament. I hope we continue to do that in the years to come.

I endorse the points alluded to by both the hon. Members for Blackpool North and Cleveleys and for East Dunbartonshire (Jo Swinson) about what is going on in other legislatures and Chambers. What we do in Westminster should serve as a model for local government, the Welsh Assembly and the Scottish Parliament, for the election of police and crime commissioners, for our MEPs and, for that matter, for the Youth Parliament. Indeed, as the hon. Lady pointed out, in some cases they are already outstripping us, which is not something we should be proud of.

I want finally to say a couple of things about money. Hon. and right hon. Members are right to refer to the substantial barrier it presents to people coming into this place from not just low but typical incomes. Like other Members, I very much welcome the efforts of my right hon. Friend the Member for Salford and Eccles in establishing the parliamentary placements initiative; it is a great opportunity for us to bring more people from low-income backgrounds into Parliament at an early age.

There are many other financial obstacles to be faced by those seeking selection, so I hope that in her response the Minister may be able to update us on the Government's intentions in relation to the recommendation that a consultation should take place during this Parliament on the proposal for the introduction of a scheme enabling local parties to apply for funding linked to their receipts from membership subscriptions. As others have said, I also hope she will tell us what progress is being made on looking at the possibility of a public fund to support disabled Members.

This has been an important debate. We all bear responsibility for making progress on the issue. Others have commented on the old saying that what gets measured gets done, which is why the publication of diversity data, as highlighted in the motion, is important. Perhaps we could add that what gets debated gets done, so I am very pleased that we have been able to hold this debate and I pay tribute to every hon. Member who has taken part.

5.44 pm

The Minister for Equalities (Lynne Featherstone): We have had a fulfilling debate. It makes one proud of the House when all the contributions—every one, across the Floor—work in the same direction. We might work in different ways, but there is not a single person who does not believe that we would be much better off if we were more reflective of society and the people we represent. I assure the House that equality is at the heart of the Government's agenda, and it is central to building a strong economy and a fair society. If we are to achieve that, as so many have said, it is vital that our democracy is representative of the people we serve.

Although this might be the most diverse Parliament ever, it is clear that there is some way to go. That is why the Government welcome the report of the Speaker's Conference and support the broad thrust of its recommendations. We have, to date, implemented the provisions in the Equality Act 2010, which enabled political parties to use positive action, should they wish. As was pointed out, it is not mandatory but optional, because clearly there are different views in different parts of the House. The measure is there to be used by those who want to make a difference in that way, to encourage participation in politics among under-represented groups. Obviously, within that, all prospective candidates should be considered on their individual merits. I add that because, whatever the selection, it is quite obvious that one should select the person with the most talent, but if the group of people in question is not diverse, by definition it is not the best group to choose from.

We have extended to 2030 the ability to use women-only shortlists, a point made by the hon. Member for Stretford and Urmston (Kate Green). I sat here this afternoon and listened to points being batted to and fro. Members on opposite sides of the Chamber say, "We are fantastic, but they are dreadful." That is the whole point. Political parties can choose to become more representative in their own way. I congratulate Labour on its all-women shortlists. That caused a step-change that was admirable. I congratulate the Conservative party on its methodology, which has certainly delivered results. Had we won what we thought were the winnable seats in which we had women candidates, I would be able to congratulate the Liberal Democrats, but we did not win them.

Following last year's consultation, we have announced our plans to support disabled people in accessing elected office, and I hope shortly to announce a detailed plan of action, including new funding. I shall go into that in a moment. We have made a start, but there is much more to do.

Three areas are crucial to achieving equality: young people, political parties and the public sector. Hon. Members mentioned young people, and those in all parts of the House are doing a good job, going into

schools to spread the message that politics is life and that we are human beings, which is a good start. *[Interruption.]* The hon. Member for Rhondda (Chris Bryant) is not sure about that. He says that we are weird. I think that we are all human, and it would be a good thing for the House if we showed a bit more of our human side and a bit less of our automated side. I shall now go into automated-speak.

Engaging young people is central to increasing diversity in Westminster. Without that, we miss a vital opportunity to change the political landscape. We have to look to the future and inspire the younger generation. We hear people complaining that young people are not engaged, but I do not think that is true. The hon. Member for Bolton West (Julie Hilling) was present the evening I spoke to the girl guides. The 2011 results of Girlguiding UK's annual survey of girls' attitudes showed that they are perfectly aware of global events. They care about them hugely; they are passionate about them. However, the survey highlighted that they often feel powerless to be part of world events. Representation here is part of empowering those girls to feel that they have a voice and a place. As I said to them that night, "Be a person. Speak up for yourself, in politics or out of politics. That is what counts." We must encourage today's young people, girls and boys, to have aspirations and confidence in themselves.

There must be leadership by political parties. More than ever, political parties need to reach out to young people, engaging their interest and encouraging them. There are simple things that we can do to achieve that. I note what has been said about internships, which are fantastic. I shall go on to praise the right hon. Member for Salford and Eccles (Hazel Blears). A recent report by the Institute for Government found that one of the factors that helped to encourage women and other under-represented groups to stand for election was simply being asked to stand.

That was my own experience. I wandered late into politics. I am a sort of accidental politician. Somebody said to me, "You should think about standing for Parliament." I said, "Who, me?" That sparked a thought and, gradually, a belief that perhaps I could do that, although I did not go to university, do not have a degree and do not have "the right background". Somebody had a belief in me; they saw something and said, "You can do this."

The report also pointed to the need to make the selection process more transparent and make it easier for people to understand how to become an MP. My officials will hold a round-table meeting with representatives of the political parties later this month to see how best to do this, and that will include a voluntary approach whereby the parties would publish data on the diversity of their candidate selection. I know that the Liberal Democrats do that, but I think that the parties need to work together on this. Someone called for central control and command, but I am not sure that we need that and think that ultimately the parties must move forward first.

Lastly—I want to get on to responding to Members—the Speaker's Conference rightly pointed to the importance of leadership by public sector organisations. Public bodies must lead by example, which is why we now require them, through the public sector equality duty, to publish equality data every year and set equality objectives.

There have been many thoughtful contributions, not all of which I will be able to respond to, but first and foremost I want to pay tribute to the hon. Member for Aberdeen South (Dame Anne Begg), who gave a tour de force on this agenda. I am pleased to be able to pay tribute to the work she has done for the Speaker's Conference and in her own way, fighting for things and being seen in a wheelchair in Parliament. Although Members have said that they do not want to represent what they are or are seen to be physically, those role models are nevertheless vital. When a person sees that someone who looks like them can do it, that changes the world.

The hon. Lady asked about diversity data. The Government support the principle that parties should publish diversity data but believe that in the first instance we should pursue a voluntary approach. As I have said, we are holding a round-table meeting on that.

The recommendations of the access to elected office for disabled people strategy—a number of Members referred to access to public office—are being taken forward. The public consultation ran from February to May 2011 and sought views on a range of policy proposals. The Government published their response on 13 September, setting out our intention to take forward five of the six proposals. We are currently working with political, disability and other stakeholders to take forward the proposals, which include: the establishment of a dedicated fund to help individual candidates with disability-related costs; new training and development opportunities; proposals to raise awareness; and work with political parties to share good practice on disability and explain legal obligations. We will make a further announcement relatively soon on how the funding is to be distributed.

A number of Members referred to the boundary review and the impact it will have. The motivation behind the boundary changes was to create fairness in numbers, because there is a huge differential between some constituencies. For example, Arfon in north Wales has around 40,000 voters, but East Ham has more than 90,000. It would be a terrible irony if, in our efforts to introduce fairness in what our votes are worth, we suddenly found that we were being unfair in other respects and that our diversity representation was getting worse as a result. I simply say for the record that I would expect all political parties to look at this most carefully when the dust settles on exactly where the boundaries will be, look at the impact in their own parties, take note and, more importantly, take action to ensure that we do not, ironically, increase unfairness in that area.

My hon. Friend the Member for East Dunbartonshire (Jo Swinson), who also gave a tour de force on this agenda, referred to section 141 of the Mental Health Act 1983. The Government support the proposal in principle and on 3 February 2010 announced our intention to repeal that section, which sets out the process by which an MP's seat is vacated if they have a mental health condition and are authorised to be detained under mental health legislation for six months or more. The Government supported Lord Stevenson of Coddenham's private Member's Bill, the Mental Health

[Lynne Featherstone]

(Discrimination) Bill, at its Second Reading on 25 November, but we wish to retain the option to introduce a Government amendment at a later stage. Given the timing of the Bill's Second Reading, it will be extremely difficult for the measure to gain Royal Assent in this Session, so if necessary Lord Stevenson intends to reintroduce his Bill in the next Session, in which case the Government will be pleased to support it.

The hon. Member for Slough (Fiona Mactaggart) is no longer in her place, but she raised some really important points, with which I agree wholeheartedly. She said that women—my attention is on women at this point—need to get their hands on levers, on budgets and on power in order to deliver real change, and she highlighted the lack of women Ministers in the Government ranks. I can say without declaring an interest, as I am already in the Government, that such change would only be of benefit—and is promised by the end of this Parliament. I am sure that the Prime Minister and the Deputy Prime Minister are listening very carefully and taking note as I speak.

My hon. Friend the Member for Milton Keynes South (Iain Stewart) referred to the stigma that still exists subliminally in political parties: we say things, but then push comes to shove. In political parties, probably across the board, we will have all encountered the nod, the nudge, the wink—that sort of thing—and we all must work to eliminate it.

I pay tribute to and congratulate the right hon. Member for Salford and Eccles on her internship scheme, which is hugely important. Recently, the Deputy Prime Minister called for all internships to be advertised to stop the "who you know" culture, because some have been about not just access, which is absolutely right, but the idea that if one knows somebody one will be given an internship, and it is vital that internships are open to all.

In my constituency office, I have another way. I take part-time interns, some even for one day a week, so that they are able to work the rest of the week and, therefore, support themselves, because not everyone has parents who can help them, and not everyone is from London.

Hazel Blears *rose—*

Lynne Featherstone: I do not know whether the right hon. Lady wants to intervene, but I have only one minute left—unless it is something new.

Hazel Blears: I am not looking for any praise at all for the scheme; I am looking for a Government commitment. They praised the scheme in their social mobility strategy, so I should like the Minister to say whether that will result in the Government providing some support.

Lynne Featherstone: I apologise. I forgot about the funding, which was the right hon. Lady's essential point. I am sure that she is being listened to, and I shall find out whether there is any such intention in the Government. I have no inkling at the moment, because it has not been discussed—with me at least.

We obviously have Government internships, too, with which we are progressing. The right hon. Member for Sheffield, Brightside and Hillsborough (Mr Blunkett) asked how well we are doing with our equality agenda in Departments, and that is a very important aspect. Last night I was at the Stonewall employer of the year ceremony, and—*[Interruption]*—I cannot talk any more, but—the Home Office came second, and was first last year.

5.58 pm

Dame Anne Begg: The hon. Member for Portsmouth North (Penny Mordaunt) summed the issue up extremely well when she said that what we in this House should be concerned about is the under-representation of talent. For decades, talented individuals who would have made excellent MPs have not made it into the House, either because it was never suggested that they would be very good at it, or because the barriers were too high for them to overcome. We do not get the best person for the job if the best person does not even apply for it.

It has therefore been important today to reflect on the fact that political parties have to have a mechanism to encourage people of talent to come forward and make it into this place. For the Labour party, all-women shortlists have certainly worked and created a critical mass; for the Conservatives, it has been their A list, their support and mentoring and the changing of party members' attitudes. But the mechanisms have been put in place.

The Speaker's Conference identified that the case for widening representation rests on three principles: justice, effectiveness and legitimacy. We have to keep up the pressure. Without that pressure, we could start to slip backwards. That is why I hope that the House will support the motion.

Question put and agreed to.

Resolved,

That this House welcomes the fact that there are now more women hon. Members and hon. Members from Black, Asian and minority ethnic communities than in any previous Parliament; notes that the need for greater diversity in the House has been accepted by the leadership of the three main political parties at Westminster; is concerned that increased competition for seats at the 2015 General Election may leave under-represented groups more poorly represented among approved candidates, and in the House thereafter, unless mechanisms are employed to tackle continuing inequalities during candidate selection; and calls on the Government and political parties to fulfil commitments made in response to the Speaker's Conference (on Parliamentary Representation) in 2010, including the commitment to secure the publication by all parties of diversity data on candidate selections.

Business without Debate

BUSINESS OF THE HOUSE (16 JANUARY)

Ordered,

That at the sitting on Monday 16 January paragraph (2) of Standing Order No. 31 (Questions on amendments) shall apply to the Motions in the name of Edward Miliband as if the day were an Opposition Day.—*(Jeremy Wright.)*

DRAFT HOUSE OF LORDS REFORM BILL (JOINT COMMITTEE)

Resolved,

That this House concurs with the Lords Message of 20 December and that, notwithstanding the Resolution of this House of 23 June, it be an instruction to the Joint Committee on the Draft House of Lords Reform Bill that it should report on the draft Bill by 27 March 2012.—*(Jeremy Wright.)*

Academy Status (Haringey)

Motion made, and Question proposed, That this House do now adjourn.—*(Jeremy Wright.)*

6 pm

Mr David Lammy (Tottenham) (Lab): I am grateful for the chance to debate the decision of Ministers to force four primary schools in Haringey to become academies, against the wishes of their governors, parents and teachers. Those schools are Downhills primary school and Coleraine Park primary school in Tottenham, and Nightingale primary school and Noel Park primary school in Wood Green. I am sad to see the hon. Member for Hornsey and Wood Green (Lynne Featherstone) leaving the Chamber as I begin this speech.

Although this debate concerns those four schools primarily, Ministers have suggested that hundreds of schools around the country could be forced to convert into academies. Schools in Birmingham, Bristol, Durham, Essex, Kent, Lancashire, Leeds and Northamptonshire could be next in the firing line, so this debate is of interest to Members throughout the country and on both sides of the House.

I will deal with three issues. The first is the absolute importance of standards in primary schools and the other interventions that could be made to drive up standards. The second is the fundamentally undemocratic way in which Ministers are taking this decision. The third is the need for collaboration, not confrontation in ensuring that our pupils achieve the maximum that they are capable of achieving.

My remarks will focus on Downhills primary school, but they apply just as strongly to the other three schools in Haringey that are affected by the Minister's decision. I have known Downhills since 1975, when I first stepped through its doors as a pupil. The school has been serving the local community for more than 100 years. Last week, I received a letter from a gentleman who attended Downhills during the second world war, which stated:

> "I have memories of an excellent education—I was even appointed School Captain. My primary education at Downhills led to later success. I was not alone there. We were encouraged to succeed. I hope your current efforts to secure the appropriate status for Downhills Primary School will be successful and that they will help present and future pupils to have a brighter future."

It is not just me who shares that history and is angered by the Minister's decision.

I want to make it clear that I do not oppose academies. I support academies that work with parents and the local community to raise standards. I am a pluralist in education. I supported the academies programme of the previous Government, of whom I was a member. However, just as there are good community schools and poor community schools, so there are good academies and poor academies. The Government's attempt to force schools in Haringey to become academies assumes that academies are the only way to raise standards and that academies always raise standards. Neither is true. The Government's actions also ignore the fact that schools perform best when central and local government work in collaboration with parents, teachers and governors, rather than against them.

I will start by focusing on school standards. The Secretary of State has branded the parents, governors and teachers at these schools as

> "ideologues who are happy with failure"

and "enemies of promise". However, not one of us is an apologist for poor results. That is why Downhills is under a notice to improve, and we support that. It is worth looking at the Downhills governing body—the very people who are supposed to be opposing this action for ideological reasons. It covers the whole range of the community. It has a solicitor, a former nurse, a senior civil servant and a hedge fund manager, all working for free to make the school better. Is that not what the big society is all about? Should not those people be praised rather than removed? How will getting rid of all of them and imposing a sponsor make the school and society better?

The governing body and I know that if a pupil leaves primary school without the basics, they will struggle at secondary school and potentially struggle throughout their life. We had riots this summer that reminded us of that fact. We are at the coal face, and we do not need to be lectured by those who, frankly, have limited experience of the inner-city context.

We believe in supporting a school to improve, and that is exactly what we are doing at Downhills. Results from 2011 show that the school is above the Government's floor target for English and maths. Some 64% of pupils achieved the national average level in both subjects, and among pupils who had been in the school for at least four years, 75% did so. More than 90% of parents are happy with the school. We are not resting on our laurels with that 64% figure, because it still leaves too many pupils who do not succeed, but the argument that the enormous upheaval being foisted on the community is justified by the results just does not hold water. Downhills is above the national primary school average. Will its improvements continue if the school is forced through the process of becoming an academy over the next few months, against the wishes of the entire community?

Jeremy Corbyn (Islington North) (Lab): I pay tribute to my right hon. Friend for how he is representing his constituents in support of Downhills school, which is an improving school. Like many in the country, it is improving because of investment, people's determination, parents' support and teachers. Does he have any idea why Downhills and a couple of other schools in Haringey have been selected for this treatment, when other schools have not? Is there a process by which the Department for Education is threatening all primary schools in the whole country?

Mr Lammy: My hon. Friend raises a good point. It is not clear why, perhaps apart from political reasons, Haringey has been selected. I certainly want to know whether the Department intends to go after the 2,500 primary schools in the country whose performance is lower than that of Downhills. I will come on to that point.

At Downhills, 72% of pupils have English as a second language and more than 40 languages are spoken by the pupils. More than 45% of pupils are eligible for a free school meal—I mention that fact because I, too, was eligible for free school meals when I attended Downhills—and the number of families living in deprivation is

[Mr Lammy]

double the national average. Enormous numbers of pupils join and leave the school during the school year, and it has one of the largest Roma populations in the country.

I raise those points not to make excuses for failure, but to point out that pupils from deprived backgrounds at Downhills actually do better than the national average. Speaking another language at home or being from a deprived background is absolutely not taken as an excuse for failure at the school, whatever the Secretary of State might think. We can just look at the results—they speak loud and clear.

Looking further into the figures, the capricious choice of Downhills becomes even more dubious. In 2011, 2,594 primary schools obtained worse results than Downhills primary. In the Secretary of State's own education authority of Surrey, 26 primary schools obtained the same results or worse. In West Sussex, the area of the Minister of State, the hon. Member for Bognor Regis and Littlehampton (Mr Gibb), who will respond to this debate, another 26 schools obtained the same results as Downhills or worse. Does he propose—I hope he will answer this question—to force those 2,594 schools to become academies as well? If his answer is yes, we really will be seeing a revolution in education in this country, and it will certainly get him on the 10 o'clock news. Is that about standards, or is it about politics and ideology? I want to hear the Minister's answer when he stands up. When we look at the results, we find that London schools do much better than schools in other parts of the country. That is not complacency; I am simply pointing out that if the Minister's choice of schools to target was based purely on results, he would not be targeting schools in London to begin with.

If the Minister were motivated solely by results, would he not have waited for the second Ofsted inspection into Downhills school, which will show how the school has raised its game since the notice to improve? I remind him that when Ofsted made its monitoring visit in September, it said the school was on the road to improvement and praised the senior management team, including the head. Why is the Minister casting Ofsted aside and saying from Whitehall, "I know best"? Can he explain that new approach to localism, which has emerged in the past few weeks?

The Minister must ask himself whether now is an appropriate time to cause upheaval in the Tottenham schools system following the riots of last September. I urge him to demonstrate the sensitivity that is required after a constituency has experienced what mine experienced—it was witnessed on TV screens not just by hon. Members, but by the rest of the country and internationally.

By focusing only on forced academies, the Government have ignored all the other tried and tested ways in which standards in primary schools can be raised. A relentless focus on teaching and learning, booster lessons, a renewed management team, federation with thriving schools and new buildings all contribute to improving standards in education. All could be tried, and many have been or are being tried, but they have all been cast aside and ignored by the Government.

At Downhills, six teachers have been replaced in a year. A new head was brought into Coleraine Park school to turn the school around 18 months ago, and a new deputy head was brought in from an outstanding school just a few miles up the road. The results show that those changes are working. The trouble is that the Government are ignoring the results and focusing only on forced academies. That approach ignores the fact that, just as there are good community schools and bad community schools, so there are good academies and bad academies. The last results for Marlowe academy in Ramsgate were even described by the former principal as "disappointing". Mossbourne academy in Hackney is rightly held up by all as a vision of what can be done, but that goes to show that a one-size-fits-all approach to reforms in struggling schools does not work.

It is clear that those reforms need funding. I understand that times are tough, so this is not solely about spending, but it is right to put on record that the Government set up a free school in Muswell Hill last year that will cost the taxpayer £6 million. It has 30 pupils at the moment. For the Minister's geography, Muswell Hill is a few miles up the road in the London borough of Haringey. The Secretary of State could have given £100,000 to every Haringey primary school and reached 30,000 children rather than 30. Given Muswell Hill's demographic, the Minister will understand why my constituents are a little concerned and alarmed.

The Minister has remarked that Haringey's primary schools are the worst in inner London. They are. So why does he not fund them at inner-London rates? Haringey has the same challenges as Islington, Camden and Hackney, but receives £1,500 less per pupil in schools than those areas. For Downhills, that underfunding is worth about £600,000 a year, which is equivalent to one extra teacher in every classroom. Where would Downhills primary's standards be if we had the money in the London borough of Haringey that we deserve? The Minister's account in the newspapers this week suggested that mine is an inner-city constituency, but one that has suburban funding. I hope he will say something about what he will do to redress that balance so that we can achieve the improvement we want.

The reforms are working, and the results are improving. Results and standards are vital, and although the Government might ignore the results, we will not. We say loud and clear that standards matter, and we do not tolerate poor results or low aspirations—I certainly do not, and there is no record of my doing anything of the sort in this House over my years as the MP for the area. Results have not been good enough, but they are improving, and we will be relentless—working, I hope, with the Department—in seeking to improve them further. People want the best for their children. This mixed community, which is represented by the governing body, but also by the wider deprivation demographics I mentioned, wants the best results for all its young people.

I am also concerned about the undemocratic way in which these things have been done. In 2010, the Secretary of State said that academies could become the norm, but that it was "down to individual schools" to make the decision, and I support that. Has he changed his mind, or was it always his intention that schools could decide their own destiny, as long as they chose the destiny he had chosen for them?

Two of the schools affected—Nightingale primary school and Noel Park primary school—are in the Hornsey and Wood Green constituency. The hon. Member for Hornsey and Wood Green supports forced academies,

but her party's manifesto in 2010 promised to give all schools the freedom to innovate. It is a strange freedom that allows schools to innovate on the ground, but only so far as the Secretary of State will allow from Whitehall.

That freedom is not worth the name, and it is fundamentally different from the freedom the previous Government's academy programme offered parents and pupils. The Labour academy programme took failing schools—schools that parents were running away from in droves, and where discipline had gone out the window—and gave them the freedom to innovate in the best interests of pupils, with the support and assistance of teachers and parents. That differs hugely from the current programme.

The Government talk the language of localism and pluralism, but when it comes to the crunch, we see something quite different, which is driven solely by mandarins in Whitehall. That is fundamentally undemocratic. There is no collaboration whatever. Given that the Department's Ministers are so well educated, it is a disgrace that not even the elected MP was worthy of a phone call or a letter. That is not the way one would usually expect Ministers to behave when such massive decisions are being made. The Minister has not even sought to get to the school or to spend any time there. Indeed, there is no record of his having spent any time in a Haringey primary in Tottenham. That is of huge concern, given the decision he is about to make.

The proposals are a massive shift and a departure from the policy under the previous Government. The intellectually bankrupt idea that excellence is synonymous with only one structure is of huge concern, and it does not hold water. It should be abandoned, and I ask the Minister to give some contrite indication of a change of position.

6.18 pm

The Minister of State, Department for Education (Mr Nick Gibb): I congratulate the right hon. Gentleman on securing the debate. I know he has a close personal and constituency interest in the issue.

Last June we made it clear that our absolute priority is to turn around underperforming primary schools by finding new academy sponsors for them. Our motivation is simply to raise standards for children. We want to find lasting solutions to underperformance so that all children have the same opportunities in life—opportunities that are enjoyed by children in areas neighbouring Haringey.

The 2011 key stage 2 tests show that Haringey primary schools went backwards, dropping 4 percentage points and taking them below the national and London averages in English and maths. Haringey primary schools are the worst performing in inner London. They have the highest number of primary schools currently below the floor—

Mr Lammy: Will the Minister give way?

Mr Gibb: If I may, I should like to make some progress. The right hon. Gentleman has had plenty of chances to make his point—

Mr Lammy: Will the Minister give way?

Mr Gibb: I will give way very briefly.

Mr Lammy: I must ask the Minister to correct his use of the term "inner London". The Department does not categorise Haringey schools as inner London schools, and it certainly does not fund them as such. Will he also confirm that the performance of the Isle of Wight, the Medway towns, Peterborough and Norfolk are all below that of Haringey, and tell us whether he will be seeking to ensure that they, too, will be forced to have academies?

Mr Gibb: On the right hon. Gentleman's first point, we agree with him that the funding system, which we inherited from his Government, is unfair and opaque. We want to increase its transparency, and we have put out a new approach for consultation. We will report on that in due course. We are taking action against all underperforming schools in the country. We are working co-operatively with local authorities that are co-operating with us. A different approach is being taken by Haringey, however, and that is why there is a difference in this particular instance.

Mr Lammy: I think that the leader and the chief executive of Haringey council would want me to place on record that they have been very co-operative with the Department in holding conversations about this matter. The Minister will know that the mainstay of resistance in Haringey has come from the schools themselves.

Mr Gibb: That is very good to hear.

I should like to continue with the point that I was making. Haringey has the highest number of primary schools currently below the floor, out of all London authorities, and 12 primary schools there have been below the floor for three or more of the past six years. Demographically similar local authorities such as Hackney, Camden, Newham, Southwark and Tower Hamlets all outperform Haringey at primary school level.

The floor standard is a basic acceptable level of performance by a primary school. For the record, a school is below the floor if fewer than 60% of pupils are achieving level 4 or above in English and maths or failing to make average progress in English and maths. Insisting that schools educate their pupils to level 4 standard is not a huge objective; nor is it unachievable. Level 4 involves just the basics. To achieve a level 4 in reading, pupils need to be able to interpret and understand the meaning behind a simple story. In maths, all that is required is to be able to understand simple fractions and to add, subtract, multiply and divide without the help of a calculator.

It is unacceptable that so many children in Haringey are being let down. As the right hon. Gentleman said, if a child leaves primary school without the basics, they will struggle at secondary school and throughout life. Those pupils face real disadvantages when starting secondary school and have extreme difficulty in catching up later.

In my right hon. Friend the Secretary of State's speech last week at Haberdashers' Aske's Hatcham college, he said that pupils cannot read to learn if they have not learned to read. They cannot begin to deal with more advanced mathematical concepts, or with physics or chemistry or any number of other subjects, if they have not grasped the fundamentals of arithmetic. No matter how good a secondary school is, there is a limit to the extent to which it can pick up the pieces. It is

[Mr Gibb]

for that reason alone that we want to take action to secure sustainable improvements in a number of Haringey's underperforming schools.

Mr Lammy: Will the Minister give way?

Mr Gibb: I will not, if the right hon. Gentleman does not mind, because I want to continue to make my argument and address the points that he has made.

Those are schools whose history of underperformance and ability to sustain improvements are causing us real concern. Downhills primary school was judged inadequate by Ofsted in 2002 and placed in special measures. It came out of special measures three years later in 2005, but improvements were not sustained, and in January 2010 it was again judged inadequate by Ofsted and required significant improvement. Key stage 2 results show that the school has failed to meet the floor standard since 2005. In 2011, 61% of pupils achieved level 4 or above in English and maths, with the other 39% of pupils failing to achieve that basic level. I am sure that the right hon. Gentleman will agree that it is unacceptable for any school to have a large proportion of its pupils failing to achieve minimum standards year after year. We know that those standards can be met, however.

Mr Lammy *rose—*

Mr Gibb: Let me make this final point before giving way. We know that that can be done. There are schools across London with intakes as challenging as those in Haringey, with proportions of pupils on free school meals and where English is not their first language, that are performing well above the standard. Let me cite one school I have visited in Tower Hamlets. In Osmani primary school, for example, 95.8% of pupils have English as an additional language and 58% are eligible for free school meals, yet that school has 88% achieving level 4 in English and maths. That is what we want to see happening in Haringey.

Mr Lammy: We all want to see that, but I say again to the Minister that in the boroughs that he prays in aid, each pupil is funded a great deal more than pupils in the London borough of Haringey. Why does he imagine that we do not need extra teachers and extra support to bring up those pupils' standards, but that a structural change into an academy will fix that problem? Will he say something about why the structural change per se will fix that problem? Where there are academies that are failing—and there are—what will he do about it in five years' time, given the autonomy that academies have?

Mr Gibb: I have to say that the academies programme was inherited from the right hon. Gentleman's Government, as indeed was the funding system. Academies have made a tremendous difference in transforming underperforming schools, especially in secondary schools where this approach has been applied. The professionals have autonomy and new leadership is brought in. It has worked in practice.

Let me make one or two things clear to the right hon. Gentleman. First, no decision about any school in Haringey has been taken at this stage. Officials have met the local authority regularly since July and they have met the relevant head teachers and chairs of governors in October, offering to visit any school wanting a further conversation. At all stages we have been clear that our goal is school improvement, and that we believe that the best route for achieving that is through schools becoming sponsored academies. We have sought to work with the local authority and schools to find solutions on which everyone can agree, as we have done successfully in many parts of the country, and as we continue to do successfully throughout the country.

I agree about the importance of consulting the governing body, and this is why officials sought another meeting with each school in early December asking for their views on these proposals. The schools in Haringey have been given time to provide representations to the Secretary of State on his proposed action. Before giving us their views, we fully expect them to engage with the wider school community. We have already received a number of representations from parents, governors and the local community, both in support of and against the approach we are taking in Haringey, which we will take into consideration. When we have the representations from the schools, we will take a final decision and inform them. It would therefore be inappropriate and premature for me to comment further on the specific Downhills case until we have fully considered all those representations and the circumstances of the case.

Mr Lammy: Will the Minister confirm that the officials gave the governing body three weeks in which to find a sponsor—three weeks in which to go out and find some captain of industry to take over the school?

Mr Gibb: Discussions with the local authority have been going on in Haringey since July, and this is part of that process.

Let me say that this is not happening in Haringey alone. The last Government opened 203 sponsored academies and we have opened another 132 since the election. We are working with local authorities across the country to secure better outcomes for their pupils by transforming these underperforming schools. Over 300 schools have now opened as sponsored academies, a further 1,194 have converted to academy status, and more than 700 maintained primary schools are either open to becoming academies or in the pipeline. Those range from small rural primaries to large urban primaries such as the 843-pupil Durand school in south London.

I would like to assure the right hon. Gentleman that we recognise the real effort that the governing bodies and staff of schools are making to improve the standards of education at their schools in the most challenging of circumstances. We want to help schools that, despite the best efforts of the staff, are struggling to sustain improvements. We believe that substantially different solutions are required—solutions that will help the most disadvantaged pupils to succeed. Academy status led by a strong sponsor is the best way of providing quick and sustainable improvements in order to prevent more children from leaving the school without at least the basic literacy and mathematical skills.

Academy status has been very successful; it is a tried and tested model. A large body of evidence of pupil performance and independent reports show that the academy model—

6.30 pm

House adjourned without Question put (Standing Order No. 9(7)).

House of Commons

Monday 16 January 2012

The House met at half-past Two o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

EDUCATION

The Secretary of State was asked—

Arts and Creative Education

1. **Mr Don Foster** (Bath) (LD): What steps he is taking to promote arts and creative education in schools. [89247]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): The Government believe that children's education is enriched through their connection with the beauty provided through the arts. To support this mission, we invited Darren Henley, the managing director of Classic FM, to undertake a review of cultural education in schools and he is due to report shortly. As you know, Mr Speaker, in November we published a national plan for music education worth £200 million over three years.

Mr Foster: I am sure the whole House is looking forward to the Henley review, but does the Minister acknowledge that the expert panel on the curriculum review is concerned that the role of cultural and creative subjects in a broad and balanced curriculum is in danger of being lost? Given the significant reduction in postgraduate certificate in education art and design places and the lack of any cultural subjects in the English baccalaureate, is it not right to be concerned?

Mr Hayes: The right hon. Gentleman will know that the E-bac—the core curriculum that we are developing—is sufficiently small to allow space for all kinds of other activities, including those relating to music, art and culture, as well. Certainly, it is the view of the Secretary of State and the whole Government that enriching a child's education through their experience of art, music and culture is at the heart of good education.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): My constituency is one of the hotbeds of creative activity with a very high percentage of artists and creative businesses, and the schools have followed that through. However, I know from recent visits to primary schools such as Brook community primary school, which has excellent enrichment through the arts, that they are worried about future funding and are already having to make cuts in those areas. Will the Minister explain what the Government's financial policy is to back up the warm words he just uttered?

Mr Hayes: I mentioned in my first answer the commitment we have made to music. The important thing about that commitment is that we have been very clear over the long term about what schools can expect to receive, and that will help with financial planning. The new music education hubs will help to bring this together. That recommendation very much arose from the original investigation we did. Art is not the study of positive reality; in Ruskin's words, it is "seeking for ideal truth". It is that spirit that imbues all this Government do.

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): Plymouth's excellent college of art is looking at trying to develop and create a free school aimed specifically at bolstering the arts economy and improving participation in the arts. Would my hon. Friend be willing to meet me and fellow representatives from the college of art to discuss how it can ensure that aspiration becomes reality?

Mr Hayes: Any meeting with my hon. Friend always adds to my grasp of these matters; of course I will happily meet him. It is clear from his question that he shares our view that having a richer mix of school types will allow the development of precisely the expertise he describes.

Fiona Mactaggart (Slough) (Lab): Britain is a world leader in creative and cultural industries, but at the moment we are seeing in our schools a reduction in music, art and other teaching. Whatever warm words the Minister offers, what is he going to do about it?

Mr Hayes: The hon. Lady will know, because she is a diligent student of these matters, that this Government established a council specifically to look at the creative industries. I have met that council to discuss how we can work with it to improve links between the creative industries and schools and colleges. She will also know that we have allocated in my area specific funding with that council to develop new courses, new apprenticeships and new opportunities with creative industries.

School Playing Fields

2. **Annette Brooke** (Mid Dorset and North Poole) (LD): What his policy is on the sale of school playing fields; and if he will make a statement. [89248]

The Minister of State, Department for Education (Mr Nick Gibb): Playing fields are an important part of a school's estate, and sport is a critical element of any school curriculum. The Secretary of State's consent is needed to sell school playing fields under section 77 of the School Standards and Framework Act 1998. School playing fields can be sold only if they are genuinely surplus, with all proceeds being used to improve sports or educational facilities. The Education Act 2011 also gives the Secretary of State power to direct that, instead of being disposed of, the land should be transferred to an academy or free school.

Annette Brooke: I thank the Minister for that answer. Will he make sure there is careful scrutiny by both Sport England and his Department of the proposed sale of playing fields at Wareham middle school? There are overwhelming objections locally, including from the district council and the town council, identifying the already overall shortage of playing fields. There is widespread community use of the fields, and there is particular opposition to the site's being sold for an out of town supermarket and its possible replacement with inferior provision.

Mr Gibb: The short answer is, yes we will. The long answer is that there has not yet been an application from Dorset county council to dispose of the Wareham school playing field. If such an application is made, the Secretary of State's approval to dispose of the playing field will be required, and he will take advice from the independent school playing fields advisory panel.

Clive Efford (Eltham) (Lab): The Minister will know that from 1979 until 1997 the Conservative Government sold off 10,000 school playing fields. After the School Standards and Framework Act 1998, the number went down to just 226 between 1998 and 2010. The national planning policy framework intends to water down restrictions on the disposal of school playing fields, which is like a burglar returning to the scene of the crime. Will the Minister ensure that there is no watering down of the restrictions on the sale of school playing fields in the future?

Mr Gibb: I have just explained that section 77 of the Act is still in force and there is no intention to change that legislation. In fact, in 2011 just eight applications for the sale of school playing fields were allowed.

Youth Services

3. **Tom Blenkinsop** (Middlesbrough South and East Cleveland) (Lab): What recent assessment he has made of the provision of youth services. [89249]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): Local authorities have made significant reductions in funding for out-of-school services for young people this year. However, many authorities are prioritising early intervention to help disadvantaged young people, and are working closely with the voluntary sector to maintain open access youth services. In December, the Government published the Positive for Youth strategy, which sets direction and gives examples of how councils can reform youth services, particularly in challenging and difficult financial times.

Tom Blenkinsop: I thank the Minister for his answer. According to Experian, after the Government's autumn statement the third hardest-hit borough was Middlesbrough. Due to the Secretary of State's cuts, 13 to 19-year-olds in Middlesbrough will receive 15% less spending per head for youth service provision after the top-heavy cuts imposed on the town. Are they a lesser funding priority than a royal yacht?

Tim Loughton: As I said, many areas have seen some of their spending for youth services cut, but many areas have actually established new smarter partnerships with the voluntary sector, social enterprise and commercial organisations. The neighbouring constituency to the hon. Gentleman's is a beneficiary of a myplace, with investment of £4.5 million from the Government. That is a hub for lots of varied activities for young people to take advantage of, helping them with careers, training and many other things.

Mr Philip Hollobone (Kettering) (Con): In 2005, when it was Labour-controlled, Northamptonshire county council directly provided its own youth services and managed to reach only 3,000 young people. Now under Conservative control, the council has commissioned its youth services to the voluntary sector; it regularly gets 20,000 young people involved and is one of the authorities with the best value youth services in the country. Will my hon. Friend congratulate the county council on its foresight and good practice?

Tim Loughton: I am very grateful to my hon. Friend for mentioning such an example of good practice. Frankly, I do not care who the provider is; it is the way they provide the service and whether they are providing the services that young people want at the time they want them. It is about the quality of the service. They may not be able to do it in Labour-controlled Middlesbrough, but apparently they can in Northamptonshire and I congratulate them on it.

Ms Karen Buck (Westminster North) (Lab): The new Commissioner of the Metropolitan Police has warned that gang crime is now a significant problem in half of all London boroughs, and similar issues affect cities across the country. Good youth work is critical to a successful strategy to tackle gangs and youth violence, yet not only are youth services being reduced, as the Minister has just told us, but the National Council for Voluntary Organisations warned last week that the charitable sector is facing a £1 billion shortfall and many small community youth organisations, including the Stephen Lawrence centre, are at risk of closure. What assessment has the Minister made of the contribution of reduced capacity in council and community youth services to a successful anti-gangs and youth violence strategy?

Tim Loughton: The hon. Lady is right to raise the problem of gang culture. The Government take it very seriously. The Home Secretary chairs an inter-ministerial group on gangs, on which I represent the Department for Education, but I have to say that some of the very best anti-gang projects I have seen around the country—including in London in places such as Croydon, with "Lives not Knives"—involve the voluntary sector working in partnership with the local authority. They are going into schools working with the victims of those crimes and their families, spreading best practice and saying, "Not in my name". The very best response to the troubles we saw in the summer was from young people coming together with voluntary organisations, saying, "Not in my name will this sort of violence happen," and coming up with constructive and positive examples. That is why Positive for Youth is such an important part of the Government's policy.

Primary School Places

4. **Alec Shelbrooke** (Elmet and Rothwell) (Con): What estimate he has made of the number of additional primary school places needed in the next decade. [89250]

The Secretary of State for Education (Michael Gove): Most local authorities are forecasting an increase in primary pupil numbers over the next five years. Based on data published by the Office for National Statistics, the school-age population is expected to rise during the rest of the decade. My Department will continue to provide capital funding to meet that need.

Alec Shelbrooke: Will my right hon. Friend outline to my constituents in Elmet and Rothwell the proposals that are in place for the excellent primary schools in the area, should they need to expand to meet the predicted increase in school numbers?

Michael Gove: My hon. Friend is fortunate to have many outstanding primary and secondary schools serving his constituents, and those will be able to expand under the changes that we have made to the admissions code. We have also increased the amount of money available to meet what is called basic need—the growth in primary school places—and we have done so by making efficiencies from the old Building Schools for the Future programme, which, while nobly conceived, was often poorly executed.

Heidi Alexander (Lewisham East) (Lab): The Secretary of State will know that in London the demand for extra primary classes is acute—64% of all the additional places required across the country are in London. How can it therefore be right that in the basic needs allocation London got only a third of the funding available when it has two thirds of the need?

Michael Gove: The hon. Lady, as ever, makes an effective case on behalf of her constituents. We looked at the original formula that we inherited for the allocation of money to areas where population growth was forcing schools to expand. We changed it, in consultation with London Councils and the Mayor of London. The new formula that we used was fairer to London, and it was welcomed by Jules Pipe, the mayor of Hackney, on behalf of London Councils, and by the Mayor of London, but no formula is ever perfect, and we continue to look to ensure that Lewisham students can continue to benefit.

Mr Stewart Jackson (Peterborough) (Con): The Secretary of State will know, I hope, that the vast bulk of the new entrants for primary school allocations in Peterborough for September 2012 are foreign children whose first language is not English. In his ongoing review of funding, will he concede the resource implications of that and assist a small number of local authorities, such as Peterborough, that face serious teaching and resource allocation issues for children whose first language is not English?

Michael Gove: My hon. Friend has bravely and rightly drawn attention to the fact that inward migration flows have had a particularly strong effect on his constituents. On the current changes to education funding, upon which we are consulting, we propose to include additional funding for those schools that have a significant number of students who have English as an additional language.

Stephen Twigg (Liverpool, West Derby) (Lab/Co-op): How many primary school places could the Government fund with the money that the Secretary of State has proposed be spent on a new royal yacht? Does he regret his rushed decision in 2010 to abolish the Labour Government's primary capital programme and would it not have been better to have reformed that programme to focus on the serious shortage of primary school places?

Michael Gove: The hon. Gentleman should have been careful to look at the charts and to navigate out of rocky waters, because the letter that I wrote to the Prime Minister on 12 September clearly stated that I agreed, of course, that the project for a royal yacht—the Future Ship Project 21st Century—was one where no public funding should be provided. I am afraid that the hon. Gentleman has once again allowed himself to be misled. I support that project because it would provide opportunities for disadvantaged youth from across the country to learn new skills and to take part in exciting new adventures. It is typical of the unreformed elements—

Mr Speaker: Order. I am extremely grateful to be educated by the Secretary of State, but I do not think that the yacht will provide additional primary school places, which is the subject matter under discussion.

Stephen Twigg: Indeed, Mr Speaker. The Government have found £1.2 billion for new places, half of which is being spent on new free schools. Although 90% of the extra places that are needed by 2015 are in primary schools, the majority of the new free schools announced late last year are secondary schools. Instead of his dogmatic and ideological preference for his pet project, would it not make more sense to allocate the whole of that £1.2 billion to meet the serious shortfall in primary school places?

Michael Gove: I am grateful for your advice, Mr Speaker, but I always try to answer the questions that I am asked by the hon. Gentleman—I know that that is sometimes a novel approach, but I believe it to be right.

It is also right to remind the hon. Gentleman, as he reminded the readers of *The Observer* on Sunday, that the last Labour Government wasted money on Building Schools for the Future. As a result of eliminating that waste, we have made £500 million available this year, and £600 million next year, for primary school places for which they never provided. They failed to look ahead and navigate a way through hard times, and now that there is a captain at the helm who knows in which direction to take this ship, I am afraid that we need less rumbling from the ratings who want to mutiny below deck.

Special Needs

5. **Charlotte Leslie** (Bristol North West) (Con): What recent progress his Department has made in implementing the proposals in the special needs Green Paper; and if he will make a statement. [89251]

7. **Peter Aldous** (Waveney) (Con): What recent progress his Department has made in implementing the proposals in the special needs Green Paper; and if he will make a statement. [89253]

The Minister of State, Department for Education (Sarah Teather) *rose—[Interruption.]*

Mr Speaker: Order.

Sarah Teather: When all that has settled down, we have established a number of local pathfinders to test the best ways of implementing the key reforms, and are providing support to local authorities in developing local provision for children and young people with special educational needs.

We will publish a response to the consultation on the Green Paper shortly. This will set out the progress we have made and the next steps in taking forward our reforms.

Charlotte Leslie: Given that two thirds of the August rioters have special educational needs—a rate well above the national average—and that a disproportionate number have been subject to school exclusions, what steps has the Minister taken to ensure that if a child is subject to permanent or repeated exclusion, they are assessed for special educational needs, so that if such needs exist they are catered for and met, and we can ensure that children such as those involved in the rioting can do basic things such as reading?

Sarah Teather: I thank the hon. Lady for her question. I know that she feels strongly about this issue, which she discussed with me when we were consulting on the Green Paper. The whole purpose of what we are trying to do with the Green Paper is to focus better on early intervention. She will be aware that, in particular, we are ensuring that the forthcoming guidance on behaviour and exclusions makes it clear that a multi-agency assessment should be carried out if a pupil displays behaviour that does not respond to normal classroom management techniques. We have asked Charlie Taylor to do work specifically on alternative provision and attendance, and all those issues are relevant to the matters raised by the hon. Lady.

Peter Aldous: While the Warren and Ashley schools in Lowestoft provide first-class education for pupils with special educational needs, research by Ambitious about Autism shows that 85% of adults with autism are not in full-time employment. Will the Minister set out what she is doing to improve the transition from education to work for special needs pupils?

Sarah Teather: Again, trying to make sure that we have better transition is something on which the Green Paper and our response will specifically focus. That is why are changing the statementing process. A new education, health and care plan running from nought to 25 ought to enable us to think about outcomes and plan right from the beginning—not just as an afterthought when young people reach 16. We should focus much more on outcomes right from the beginning. In addition, there are a number of projects that the pathfinders are doing for us that look at transition. The Green Paper also highlights our proposals for supported internships, which might make a real difference here.

Ian Swales (Redcar) (LD): Partnerships for Schools says that Kirkleathamhall special school in my constituency has problems with access, temperature, lighting and ventilation; most of the teaching spaces are too small, and the full curriculum cannot be provided to secondary-age pupils. Will the Minister meet me to discuss this unacceptable situation?

Sarah Teather: I would be very happy to meet my hon. Friend.

Dan Rogerson (North Cornwall) (LD): In her answer to the original question, my hon. Friend referred to pathfinders. How will the information that she obtains from them be shared publicly, and how will it inform her work towards legislation in that area?

Sarah Teather: We are trying to go through a process of active learning so that the lessons from the pathfinders do not go into a black box and are not looked at again, but are shared with other local authorities. Local authority groups have come together, so it is not necessarily the case that individual local authorities are working in isolation, but are working with parents' groups and charities on the ground. We are keen to learn the lessons that they are looking at, and we will make sure that that informs our legislation in future.

Children in Care

6. **Mrs Mary Glindon** (North Tyneside) (Lab): What steps his Department plans to take to improve outcomes for children in care. [89252]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): The Government are thoroughly overhauling the care and adoption system to improve the lives of looked-after children. We have issued revised care planning guidance, and foster carers and adopters charters. The Prime Minister has announced a package of new policy interventions, including the publication of performance tables. We want to see more stable, high quality placements, whether through adoption, fostering or in a children's home because final outcomes for too many looked-after children have been unacceptable for too long.

Mrs Glindon: Placement stability is imperative for good educational and life outcomes for children in care. With swingeing cuts to social services nationally, what measures is the Minister putting in place to assure the House that we will not see a culture of commissioning the cheapest care, regardless of quality?

Tim Loughton: I think the hon. Lady will find that one area of local government spending that has been safeguarded more than others is the safeguarding of vulnerable children, and it is absolutely right that it should be. The most expensive thing is the expense of failure. The bureaucracy that surrounded safeguarding for too many years meant that too many social workers, rather than spending time out there helping vulnerable children, were spending their time in front of computers, filling in processes and forms. We are doing away with all that through the Munro review and through the work that is going on with Martin Narey and others on adoption and on children in care. We need to make sure that children in the care system, through the advantages that we are now giving them with the pupil premium

and many other means, have a better chance of catching up and closing that gap, which has been scandalous for far too long.

Mark Pritchard (The Wrekin) (Con): Given the huge amount of public money invested in children in care, does the Minister share my concern that too many people leaving care have very poor educational outcomes, which reduce their life chances further? Can we avoid another generation of children in care having the state as the worst parent of all?

Tim Loughton: My hon. Friend raises a good point, which is why at every stage of the journey of that child who comes into care, we are giving them a leg up and additional support. They will automatically all qualify for the pupil premium to give them a chance of catching up with children who are lucky enough to come from their birth family's home. We are giving them advantages on the replacement for education maintenance allowance. We are giving special bursaries for those few—too few—who go to university. We need to close that gap, and we are giving them priority access to some of our best schools as well. If we can get them better education by giving them that leg up, they stand a better chance of being able to compete with the rest of their cohort in this country, and that has taken far too long.

Catherine McKinnell (Newcastle upon Tyne North) (Lab): Stability is crucial for securing better outcomes and adoption has been a key focus for the Government to date, but what steps is the Minister taking to promote, transparently measure and publicly acknowledge success in increasing not just adoptive placements, but much needed permanency for all looked-after children through special guardianship, long-term fostering and kinship care?

Tim Loughton: The hon. Lady is right to flag up the importance of permanence. As far as I and the Government are concerned, there is no hierarchy of care here. It is what is the most appropriate form of care for that individual child. For most, it is foster care. We need more good quality foster care placements. For others, it is a residential children's home. We need more good quality placements. But for others—a small number—adoption is the best form of permanence, as are special guardianship orders. I believe there are more children in care at present for whom adoption has not been considered and for whom it would be the most appropriate course of action, which is why we are spending so much time on making sure that we have an adoption system that is fit for purpose in the best interests of those children.

Human Trafficking

8. **Mr Peter Bone** (Wellingborough) (Con): What steps his Department is taking to raise awareness in schools of domestic and international human trafficking. [89254]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): Tackling human trafficking is a key priority for the Government. Last October the Department for Education and the Home Office issued updated practical guidance on safeguarding children who may have been trafficked. This will help practitioners, including school staff, identify children who may have been trafficked and find support and advice. Schools may also cover human trafficking within personal, social, health and economic education if they judge that topic to be relevant to their circumstances.

Mr Bone: I congratulate the Government on what they have done so far, but there are a number of non-governmental organisations and charities that would like to go into schools to make pupils aware of human trafficking, the evil of modern-day slavery, and particularly internal trafficking within the United Kingdom. Would the Minister welcome such moves?

Mr Hayes: My hon. Friend has a noble record on this subject, as co-chairman of the all-party group alongside the hon. Members for Slough (Fiona Mactaggart) and for Liverpool, Riverside (Mrs Ellman), and the former Member, Mr Anthony Steen. My hon. Friend's suggestion is most welcome. He is right. I wrote in 1998 that there is no doubt that human trafficking is today's slave trade and that we will not rest until it is dealt with. I will write to charities as my hon. Friend suggests and invite them to do precisely what he proposes.

Mr Speaker: I am sure we would all in any case have remembered the precise phrasing of what the Minister of State wrote in 1998, and I cannot imagine why he would suppose otherwise.

Lisa Nandy (Wigan) (Lab): Despite efforts to improve awareness, many trafficked children still wrongly believe that their trafficker is their friend. Given that the Minister has rejected the idea of guardianship for trafficked children, can he tell me who is able to instruct a child's lawyer in cases where the child is too young, too confused, too traumatised or too afraid to do so themselves?

Mr Hayes: The hon. Lady will know that local authorities retain their responsibilities in this regard and, indeed, allocate a responsible person to deal with such children. I am aware of continuing doubts and problems concerning children being re-trafficked. Indeed, my hon. Friend the Member for Wellingborough (Mr Bone)—he was too polite to mention this—wrote to the Secretary of State on this subject only a couple of days ago. We will look closely at bringing what the Department does into line with Home Office and local authority practice. We should not rest until this matter is addressed, and we will not rest until children are freed, victims are protected and those who trade in pain and persecution are made to suffer.

Special Schools

9. **Mr James Gray** (North Wiltshire) (Con): How many special schools have converted to academies in (a) North Wiltshire constituency, (b) the south-west and (c) England since May 2010. [89255]

The Secretary of State for Education (Michael Gove): Special schools became eligible to apply for academy status in November 2010 and to become academies from 1 September 2011. There are 16 special schools now open as academies in England, four of which are in the south-west, and of these one of the first to become an academy on 1 September 2011 is in North Wiltshire.

Mr Gray: The Secretary of State is absolutely right to praise the Springfields academy in Calne, one of the very first special schools to achieve academy status, but does he agree that, although in Wiltshire we have a very helpful and supportive local authority, elsewhere it might be much more difficult for special schools to achieve academy status? What can he do to remove the slightly tortuous and bureaucratic process that the Springfields academy had to go through in order to make it easier for other schools in the same position?

Michael Gove: I am grateful to my hon. Friend for raising the case of the Springfields academy, which is an outstanding school that does wonderful work for children with behavioural, emotional or social difficulties and those on the autistic spectrum. I am also grateful that the local authority has been so constructive. As he points out, some local authorities are not so constructive. We are working, gently but firmly, with all local authorities from London and elsewhere to ensure that their schools see the benefits of academy status.

Claire Perry (Devizes) (Con): There are other mainstream schools in Wiltshire that would very much like to become academies. St John's school in Marlborough, of which I am a governor, has been trying to become an academy for over a year. The Department has been very helpful in the process, but as we approach the last furlong it feels more and more like wading through treacle. Is there anything I, the other governors and the staff can do to get to a decision so that we can move forward with the programme?

Michael Gove: No school is better governed in Marlborough, or indeed in Wiltshire, than St John's. As a result of my hon. Friend's impassioned advocacy, I will ensure that the necessary posteriors are kicked.

Child Care

10. **Nic Dakin** (Scunthorpe) (Lab): What recent assessment he has made of the effect of reductions in central Government funding on the provision of out-of-school child care. [89256]

The Minister of State, Department for Education (Sarah Teather): Local authorities have a statutory duty to ensure that there is sufficient child care locally to meet the needs of working parents, particularly families with disabled children. We want local authorities to keep parents informed about how they are meeting this duty. We are consulting on whether an annual report would enable parents to hold their local authority to account for the availability of suitable child care.

Nic Dakin: One in 10 child care providers report that they might have to close in the coming year. How will the Government ensure that working parents are not abandoned or left facing significantly higher costs?

Sarah Teather: There are duties on local authorities to ensure that sufficient child care is available. I remind the hon. Gentleman that substantially more money—£760 million—is going into child care, particularly in early years for disadvantaged two-year-olds. That is new money that goes to disadvantaged areas in particular, where we know that there has historically been some difficultly in relation to early years settings.

Mrs Sharon Hodgson (Washington and Sunderland West) (Lab): Hard-working parents are being hit by a triple whammy with regard to child care costs: they are getting less support to pay for it because of the cuts to tax credits; costs are creeping up; and places are disappearing because of cuts to local government and the removal of ring-fenced funding. What assessment have Ministers made of the impact of their choices on parental employment, especially among women, as well as on child poverty?

Sarah Teather: As I just said, substantial new money is going into early years. It is one of the few areas across Government where in fact—*[Interruption.]* It is two-year olds, but that extra money will of course benefit any of those settings that are working with two-year olds, and most of them will be working with two-year olds as well as older children. It is new money, particularly for disadvantaged areas that might not otherwise have taken two-year olds. I wish that the Labour party, instead of just carping, might sometimes congratulate the Government on putting extra money into disadvantaged areas.

Kelvin Hopkins (Luton North) (Lab): Last Friday I had a meeting with a number of school-based family support workers in my constituency, who are seriously worried about the future of the vital service that they provide. What will the Government do to ensure that such services are not done away with by public spending cuts in constituencies such as mine, where there is a significant amount of disadvantage?

Sarah Teather: It makes sense for local authorities to invest in those areas. That is precisely why we called the new grant the early intervention grant, and precisely why we are now working with children's centres, for example, to ensure that they are paid by results, focusing on outcomes and on providing the services that the hon. Gentleman mentions, which we know make a real difference.

Teaching Standards

11. **John Howell** (Henley) (Con): What steps he plans to improve the quality of teaching in schools. [89257]

The Minister of State, Department for Education (Mr Nick Gibb): Nothing has more impact on a child's achievement than the quality of teaching that they receive. We are raising the bar for new entrants to the teaching profession, supporting existing teachers to improve and, where teachers cannot meet the required standards, making it easier for head teachers to tackle under-performance.

John Howell (Henley) (Con): I thank my hon. Friend for that answer. Will he confirm what he is doing to allow heads to remove bad teachers and to check on the performance of new recruits, given that teaching in four in 10 schools assessed by Ofsted is rated only as "satisfactory" at best?

Mr Gibb: My hon. Friend is absolutely right. All the evidence points to the importance of teacher quality in a pupil's education. The Sutton Trust, for example, showed that, during one year with a very effective maths or English teacher, pupils gained 40% more in their education, compared with having a poor-quality teacher.

That is why my hon. Friend is right that from September there will be new arrangements to help schools manage teacher performance and new streamlined procedures for heads to tackle teachers about whose performance they continue to have concerns.

Mr Barry Sheerman (Huddersfield) (Lab/Co-op): The hon. Gentleman is absolutely correct that the Sutton Trust has done some very good work on the issue, and it has a new challenging report out this very day, but we all know that the first three years of a teacher's experience are vital in keeping good teachers in, and passionate about, teaching, so could there be more focus on those first three years, when we lose so many good teachers?

Mr Gibb: The hon. Gentleman is right, and his experience as Chair of the Education and Skills Committee has come to the fore. All the evidence shows that teachers are driven out of the teaching profession by poor behaviour, which is why we are focusing so much on raising the standards of behaviour in our schools; and that the best mentoring and continuing professional development for teachers is peer-to-peer, which is why we are creating 100 new teaching schools, focusing on not only training and new entrants to the profession, but on developing CPD and peer-to-peer training.

Free Nursery Care

13. **Julian Sturdy** (York Outer) (Con): How many disadvantaged two-year-olds will be eligible for free nursery care in (a) York Outer constituency, (b) north Yorkshire and (c) England in 2012. [89259]

The Minister of State, Department for Education (Sarah Teather): We plan to introduce a legal entitlement to free early education for about 130,000 disadvantaged two-year-olds in September 2013, and we will extend this to 260,000 children—about 40% of two-year-olds—from September 2014. From 2013, about 700 two-year-olds in north Yorkshire and 300 in the city of York are likely to be eligible. Funding is available to local authorities in 2012 to enable them to build towards that.

Julian Sturdy: I thank the Minister for her response, but what are the Government doing to ensure that local authorities put in place sufficient funding and, importantly, capacity for the expansion in the eligibility of two-year-olds for free places by 2013?

Sarah Teather: I recognise the hon. Gentleman's point that building capacity is key in this area, and we announced the figures for the number of two-year-olds who will be eligible in each local authority partly to help local authorities to begin to plan for that. We have put extra money into the early intervention grant to ensure that local authorities are able to build capacity, and we are working with 18 local authorities to conduct trials on how they might increase capacity, looking at examples of best practice so that we can share it with other areas.

Mr Frank Field (Birkenhead) (Lab): The whole House welcomes the Government initiative on that front, but what moves is the Minister making to ensure that the poorest children get the very best nursery education, and not just child minding?

Sarah Teather: I agree with the premise of the hon. Gentleman's question. Many child minders are of a high quality, so I would hesitate to sweep all child minders together. Unfortunately, there are issues of quality across the piece that we need to work on. We are consulting on a new basket of measures to ensure that, working with local authorities, we can raise quality. We are aware that there is a particular issue with disadvantaged areas, which often do not have as much choice or as good provision. It is a priority for us to ensure that the two-year-olds who really need this money benefit from it.

Teachers (Administration)

15. **Brandon Lewis** (Great Yarmouth) (Con): What progress his Department has made on work to reduce the administrative burden on teachers. [89261]

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): The Government are committed to reducing the administrative burden on schools. We have removed the lengthy self-evaluation form, introduced a streamlined inspection framework, removed unnecessary duties and regulations in the Education Act 2011, and cut the volume of guidance issued to schools by a half. We are reviewing all requirements on schools so that they can focus on raising standards, rather than on unnecessary administrative tasks.

Brandon Lewis: Many young people study in FE colleges. Places such as Great Yarmouth college have made great strides forward with clear and decisive leadership. Will my hon. Friend therefore also outline what progress the Government are making in reducing the administrative burden for colleges?

Mr Hayes: I am always reluctant to list my achievements in this House, as you know, Mr Speaker, at least more than is necessary to keep the House informed of the scale and scope of the progress we are making. Suffice it to say that from June 2010, when I let colleges move funding between adult learner budgets, through the reduction in duties imposed on schools by the previous Government, up to the Education Act 2011, which gives still greater freedoms, we have sought to treat further education as grown up, after it was infantilised by the previous Government.

Mr Speaker: I am grateful for the Minister's self-denying ordinance, given the imperative that answers be brief.

Mr Edward Leigh (Gainsborough) (Con): The Government are to be congratulated on reducing administrative burdens on teachers. Does my hon. Friend, and actual friend, agree that the way to improve standards in the state sector is for it to replicate what goes on in the independent sector? We should allow head teachers to hire and fire teachers, select their own curriculum, and select and deselect pupils.

Mr Hayes: What we seek is a system driven by demand, pupils who are helped to make informed judgments by the information that they are given, businesses driving the skills system, and head teachers and college

principals being free to respond to local needs. That is our mantra and it is entirely in line with my hon. Friend's intentions and ambitions.

General Teaching Council

16. **Steve McCabe** (Birmingham, Selly Oak) (Lab): What assessment he has made of the effect of the closure of the General Teaching Council on the ability of teachers subject to disciplinary proceedings or sanctions to seek redress. [89262]

The Minister of State, Department for Education (Mr Nick Gibb): The closure of the General Teaching Council for England will have no effect on the ability of teachers to seek redress. The new Teaching Agency will uphold GTCE sanctions and consider whether they continue to be appropriate in individual cases. The right of appeal to the High Court remains the same. Teachers who believe that they have been unfairly dismissed continue to have a right to take their case to an industrial tribunal.

Steve McCabe: I understand that 300 cases that have been referred to the General Teaching Council, including that of my constituent, Sally Craig, will not be heard before the Minister succeeds in winding it up and will not be referred to the new Teaching Agency. What will he do to ensure that those people are not denied natural justice?

Mr Gibb: The purpose of the GTCE and the Teaching Agency is not to provide a right of appeal for action taken locally. That is a local decision. The GTCE's functions were additional to the sanctions available locally. We are removing incompetence from the matters that are referred to the Teaching Agency. It will look only at cases of serious misconduct. Cases that do not reach that bar will not be transferred to the Teaching Agency and will not be investigated by it. The GTCE and the Teaching Agency have never been a second road of appeal for action taken locally.

John Pugh (Southport) (LD): Following the Government's moves to get rid of bad teachers, will the Minister assure me that the scheme will not be used to eradicate eccentric teachers, who are often very good teachers, and impose a grey uniformity?

Mr Gibb: I give my hon. Friend that assurance. We need more eccentricity, not less, in education. There will be a careful filter before cases are heard by the independent panels that report to the Secretary of State.

Domestic Violence

17. **Graeme Morrice** (Livingston) (Lab): What recent estimate he has made of the number of children living in homes where domestic violence occurs. [89263]

The Parliamentary Under-Secretary of State for Education (Tim Loughton): The Government do not collect data on the number of children living in homes where domestic violence occurs, but existing statutory guidance, "Working Together to Safeguard Children", sets out that children who experience domestic violence will need well targeted support from a range of agencies, as prolonged or regular exposure to domestic violence is likely to have a serious impact on children's safety and welfare.

Graeme Morrice: I thank the Minister, but what are the Government doing to address the issue of domestic violence, and how can we reduce the number of children who are exposed to domestic abuse both as witnesses and as victims?

Tim Loughton: The hon. Gentleman raises a very important point. I found out about the matter at first hand when I spent a week being a social worker in Stockport. I knew that domestic violence was a problem, but the extent to which it is at the core of many safeguarding issues is alarming for all of us. The use of specialist domestic violence social workers is one way of addressing the problem, and of course the Government produced an ending violence against women and girls action plan last March. The Home Secretary chairs an inter-ministerial group, on which I sit, and we are currently consulting on the definition of domestic violence, which has caused some confusion. The hon. Gentleman will have the opportunity to feed into that consultation before it closes at the end of March.

Rehman Chishti (Gillingham and Rainham) (Con): Linked to domestic violence is honour-based violence. Does the Minister have an estimate of the number of children affected by that horrendous practice?

Tim Loughton: My hon. Friend raises a very important and worrying subject. We need to do more work on it and use local safeguarding children boards to help us join up all the responsible agencies. It is another example of where we need genuine cross-departmental and cross-governmental co-operation and joint planning, and the Department for Education and the Home Office in particular are at the heart of ensuring that we address this really horrific problem.

Kate Green (Stretford and Urmston) (Lab): I am pleased that the Minister has mentioned the Government's strategy on ending violence against women and girls. What steps is he taking to ensure that children, and especially boys, are educated about the absolute unacceptability of domestic violence as part of the personal, social, health and economic education curriculum?

Tim Loughton: The hon. Lady makes a very important practical point. One of my roles on the inter-ministerial group is to see what input the Department for Education can have in ensuring that children are aware from an appropriate young age of the problems of domestic violence and are taught respectful relationships as part of sex and relationships education and PSHE. There are things that we can do at home, in schools and with the agencies that are there to help prevent domestic violence, intervene and apprehend people who are responsible for that horrendous crime.

Topical Questions

T1. [89273] **James Morris** (Halesowen and Rowley Regis) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Education (Michael Gove): Today, one of the powers contained in the Education Act 2011 comes into effect: teachers will no longer be required to give 24 hours' notice before imposing a detention on a child who breaks school rules. That is a useful new weapon in their armoury in the constant battle to ensure that all children are well behaved and that all students can learn.

James Morris: What advice would the Secretary of State give to parents in my constituency, where the teaching unions are consistently telling them that if their school converts to an academy or co-operative trust, it will lead to less local accountability and parental control?

Michael Gove: I would advise parents in my hon. Friend's constituency to listen to their very shrewd and effective elected Member, who has consistently pointed out that academy status means not only more resources for students but greater flexibility for teachers and heads and higher standards all round. It is an increasingly welcome aspect of the political consensus that is emerging around academies that so many Labour Members are flocking to their banner.

Kevin Brennan (Cardiff West) (Lab): Can the Secretary of State give the House an absolute assurance that neither he nor his special advisers have deliberately destroyed or deleted e-mails relating to Government business that he has sent or received through private e-mail accounts?

Michael Gove: I am very grateful to the hon. Gentleman for that question. As he will be aware, we changed the information and communications technology curriculum just last week, and many of us were brought up when the old ICT curriculum was in place and may not always have been as handy with the cursor as we should have been. However, every single aspect of communications policy in the Department for Education has been in accordance with the highest standards of propriety, as laid down by the Cabinet Office.

T2. [89274] **Mr Rob Wilson** (Reading East) (Con): My right hon. Friend may remember our discussions about how to help independent day schools increase the number of places available to our brightest, yet poorest, children. In the light of today's impressive report by the Sutton Trust, will he re-examine my proposals to open up those schools to access based on merit, rather than on the ability to pay?

Michael Gove: I am very grateful to my hon. Friend, who has been a consistent advocate for helping disadvantaged children to access excellent schooling. I am encouraged by the work that the Sutton Trust has done, but it is important that we ensure not only that individual children of merit have access to the best schools, but that all children from disadvantaged circumstances have better education. That is why I want to see private schools playing a larger part in the academies programme.

T4. [89276] **Graeme Morrice** (Livingston) (Lab): The Co-operative Education Trust Scotland and other co-operative education bodies are doing fantastic work across the UK to support schools and to embed co-operative enterprise education into their curriculum. How are the Government ensuring that schools promote the co-operative model as a viable option for young people who are thinking about starting their own business?

Michael Gove: First, let me pay tribute to the work of the co-operative movement. Since it started in Rochdale, many of us have been inspired by its achievements. I believe that the academies programme and particularly the free schools programme provide an opportunity for the ideals of the original co-operative movement to be embedded in our schools. The idea that all work together for the good of their community and for the fulfilment of higher ideals is one that Government Members wholeheartedly applaud.

Mr Speaker: I call Mr Adam Holloway. Not here.

Priti Patel (Witham) (Con): The Secretary of State will be aware of the extensive process that parents and schools go through when undertaking testing for special educational needs for children. What advice does he have for parents in my constituency when schools refuse to test their children for special educational needs?

The Minister of State, Department for Education (Sarah Teather): Parents' views about their child should be central. One thing that we are looking at in the Green Paper is how we can make clearer what should normally be provided in schools and what local authorities should normally provide. It should therefore at least be simpler for parents and teachers to understand whether a child's needs are greater than those normally provided in the school, and much clearer whether they need a statutory assessment.

T6. [89278] **Mrs Linda Riordan** (Halifax) (Lab/Co-op): The Prime Minister said before the election that there would be no return to selection at 11, so why are the Government making it easier for grammar schools to expand by taking away the rights of local parents to object?

Michael Gove: We are allowing all good schools to expand. I am an unalloyed fan of all good schools, whether they are comprehensive or selective. No new selective schools will be created under the coalition Government, but all successful schools have the right to expand, and any parent who believes that any school is in breach of the admissions code has an expanded right to complain to the schools adjudicator. Good schools doing a better job for more students: that is what the coalition delivers; I am amazed that the hon. Lady objects.

T5. [89277] **Mark Pawsey** (Rugby) (Con): Last Friday, I had the great pleasure to visit Paddox primary school in my constituency, which is an outstanding school where significant improvements have been made in recent years. Parents have told me that much of the positive atmosphere at the school is attributable to the drive and ambition of the head teacher, Brenda Oakes. Does the Minister agree that strong leadership provided by head teachers such as Miss Oakes is essential in delivering a first-class education to all our children?

The Minister of State, Department for Education (Mr Nick Gibb): I certainly agree with that and add my tribute to that school. The early years of a child's education, when they are learning to read and to become fluent in arithmetic, are key to their success in secondary education and beyond. I would like to pay our tribute to the work that that head teacher is doing. Government Members agree that the autonomy and independence of head teachers, and their ability to run their schools as they see fit, are key to raising standards. That is what all the evidence suggests internationally. That is the drive behind the academies programme.

T8. [89280] **Debbie Abrahams** (Oldham East and Saddleworth) (Lab): As we approach Holocaust memorial day on 27 January, how is the Secretary of State ensuring that lessons from the Holocaust and other genocides, including in Cambodia, Rwanda, Bosnia and Darfur, are taught in free schools, academies and other schools not bound by the national curriculum?

Michael Gove: I am grateful for the hon. Lady's point. Let me pay tribute to my predecessor, the right hon. Member for Morley and Outwood (Ed Balls). His decision to increase funding for the Holocaust Education Trust was one of many good things that he did, and I was honoured to be able to honour a pledge I made before the election to secure its funding. The trips that it offers to schools of all kinds help to ensure that we remember, and that that indescribable evil is never repeated. Let me take this opportunity to affirm the importance of all MPs meeting Holocaust denial and relativisation head on. Any attempt to undermine the singular historic evil of that crime is utterly wrong, and we should unite in condemning it.

T7. [89279] **Angie Bray** (Ealing Central and Acton) (Con): Having opened just last September, the West London free school has had more than 5,000 visits from interested parents, its places are now heavily over-subscribed and it has just applied to set up a new, free primary school. Does my right hon. Friend agree that that all goes to demonstrate just how enthusiastic parents are about these new free schools?

Michael Gove: My hon. Friend makes a brilliant case. The West London free school was attacked and criticised by many on the left of the political spectrum. Fiona Millar said that the idea would never take place. Now it is the single most popular and over-subscribed school in the London borough of Hammersmith and Fulham, providing a superb education of a comprehensive kind for all children. I recommend it to you, Mr Speaker, for the future.

Mr Speaker: I am extremely grateful to the Secretary of State for his helpful advice. I was not asking for his advice, but I am grateful for it anyway.

Julie Hilling (Bolton West) (Lab): Local authorities have a statutory duty to provide or commission sufficient youth services, but many of them are not now fulfilling that duty. What will Ministers do to make them fulfil their statutory duty?

The Parliamentary Under-Secretary of State for Education (Tim Loughton): The hon. Lady is a long and tireless advocate of the promotion of youth services and she has rightly pointed to the section of the Education Act 1996 that places that duty on local authorities. We are looking to rewrite that duty and streamline it to ensure that local authorities cannot shirk their responsibility to ensure that positive activities are available for young people in their area, and that it is clearly understood.

As part of "Positive for Youth", I have said that we will look closely at what activities for young people are going on in local authority areas and I invite young people to ensure that they are auditing the youth offer in their areas and reporting back to the centre. That is part of "Positive for Youth" and I hope that she will encourage young people in her area to do that.

T9. [89281] **Sajid Javid** (Bromsgrove) (Con): British banks employs hundreds of thousands of people and many of them are hard-working young people. Does the skills Minister agree that it would be a fantastic achievement to see an apprentice in every branch of every high street bank, and what can he do to help achieve this?

The Minister for Further Education, Skills and Lifelong Learning (Mr John Hayes): There are few greater champions of apprenticeships or learning in this House than my hon. Friend, although I notice my hon. Friend the Member for Gloucester (Richard Graham) sitting next to him, and he is just as worthy a champion. Just this week I will meet banks to discuss exactly what my hon. Friend the Member for Bromsgrove (Sajid Javid) proposes. It is right that apprenticeships are seen as a route into the professions, and we will make them just that.

Ann Coffey (Stockport) (Lab): Stockport council estimates that it is notified of only 60% of looked-after children placed in the borough by other authorities. This is not a problem specific to Stockport and, as the Minister will appreciate, it is very difficult for authorities to plan the provision of resources that will achieve better outcomes for children in care without adequate information. What more can he do to make local authorities meet their obligations?

Tim Loughton: The hon. Lady is right to raise this subject and it is a problem in many parts of the country, especially when children from London boroughs are placed in areas such as my own part of the country. I issued new guidance that came into effect last April, which made it absolutely clear that local authorities have a responsibility to keep children for whom they are responsible for caring as close to home as possible. If children are placed further afield, there must be a good reason, and local authorities must ensure that they maintain the responsibility to monitor how the child is doing. In too many cases, they do not notify the host authority, and I plan to ensure that every authority is reminded of its responsibilities.

Sir Bob Russell (Colchester) (LD): Market Field school is in the neighbouring constituency of my hon. Friend the Member for Harwich and North Essex (Mr Jenkin). It caters for children with special needs from both our constituencies and from the Clacton constituency. Will the Minister agree to meet the three of us to consider why Essex county council's promise—made by the previous leader to the head teacher, Mr Gary Smith—has not been carried out?

Michael Gove: I am very grateful to the hon. Gentleman for asking that question. I hope to speak to the lead member for children's services in Essex county council later this afternoon and I shall raise the issue with him. If I do not get satisfaction, I will pursue it. Let me take this opportunity to congratulate the hon. Gentleman on his well-deserved knighthood.

Mr Dennis Skinner (Bolsover) (Lab): Now that the Secretary of State for Education has accepted Bolsover Labour party's campaign for a new school at Tibshelf—a most unlikely Minister, I agree—will he tell us who will bear the cost, how much central Government will pay and how much the council taxpayer will have to pay?

Michael Gove: The hon. Gentleman has been a fantastic campaigner on behalf of Tibshelf school and, as he has often pointed out in this House, the school has had to be kept aloft by pit props and is not fit for purpose. We want to ensure that the priority school building programme, to which I think he refers, will provide the resources from the Department for Education's budget, but we will work with the local authority to ensure that we refurbish the school appropriately. I should stress, however, that final decisions on each school in the programme will not be made until at least next month.

Laura Sandys (South Thanet) (Con): I had a very good morning on Friday when I went to two infant schools. Both say that a larger number of children are coming in with speech and communication problems. What measures will we take in response to Jean Gross's communications strategy, and how will we make it a priority to support those children at a very early age to resolve such problems?

Sarah Teather: As the hon. Lady says, there is a very particular issue with communication problems and ensuring that we identify them early. That is part of the reason I am working closely with colleagues at the Department of Health to implement significant numbers of new health visitors and to ensure that we commission services better. The education health and care plan, which will integrate services, will, I hope, make a real difference to children in that position.

Mr Geoffrey Robinson (Coventry North West) (Lab): The Secretary of State will be aware of my ongoing correspondence with him about Woodlands school in my constituency, which is held up not by pit props but by equally unsightly and unacceptable scaffolding. It seems that the school will be denied any access to the priority school building programme by an anomalous set of circumstances. It does not need extra places, yet the state of the buildings means that it obviously needs priority status and access to funds, but it has been denied that as more than 30% of the buildings are listed. What can the school do? We are due an answer. May we have it soon?

Michael Gove: When we had to close the Building Schools for the Future programme, it was inevitable that a significant number of schools in urgent need of repair would be just the wrong side of where the line was drawn. I know that in Coventry a number of schools are in desperate need of refurbishment. The priority school building programme is designed to ensure that as many schools as possible qualify and we will not be able to make an announcement until next month because we want to be absolutely sure that marginal cases such as this school, as it appears from the information the hon. Gentleman has shared with us, are fairly treated.

Mr Andrew Turner (Isle of Wight) (Con): The Minister is well aware of my support for steps taken to prepare young people for apprenticeships and the world of work, but is he aware that an arbitrary decision about payments due for academic work undertaken in apprentices' own time towards their qualification might threaten the ability and willingness of small employers, such as Amazon World in my constituency, to take them on?

Mr Hayes: I am aware of the specific issue my hon. Friend raises. I understand that the problems arose under the stewardship of a Minister in the previous Government, but none the less there are ongoing repercussions and I am happy to consider the specific matters raised by my hon. Friend. He will know that there are now national minimum standards as there is a national wage for apprentices and it is absolutely right that the deal an apprentice gets should be fair and proper.

Ian Austin (Dudley North) (Lab): A university technical college for Dudley would not only transform the education available in the town but help address the skills shortage and rebalance the economy while encouraging young people to pursue careers in high-tech manufacturing. I am sure that the Secretary of State will be as pleased as I am that a bid has now been submitted for the Aston university technical college in Dudley. Will he take this bid from me today and ensure that it is approved as early as possible so that we can get the changes made that we need in Dudley?

Michael Gove: I shall take the bid and look on it sympathetically. I know that the Prime Minister, as a Villa fan, would want me to do everything possible to satisfy the hon. Gentleman.

Andrew Bridgen (North West Leicestershire) (Con): Is the Minister as concerned as I am that some teachers in schools today qualified only after re-sitting their basic numeracy and literacy tests on multiple occasions—in some cases, more than 30 times—and what steps will he take to ensure that this is not repeated?

Mr Gibb: My hon. Friend raises an important point. We want to raise the bar for entrants into the teaching profession, which is why we are limiting the number of retakes for those tests, which will be taken before trainees start their course, not at the end.

John Cryer (Leyton and Wanstead) (Lab): Following the question from my hon. Friend the Member for Oldham East and Saddleworth (Debbie Abrahams), would the Secretary of State like to congratulate the Holocaust Educational Trust, which works tirelessly visiting schools and educating students in the horrors of the genocide of the second world war?

Michael Gove: "Lessons from Auschwitz" is a model project, and I am so delighted that in the new year's honours list the chief executive of the Holocaust Educational Trust, Karen Pollock, received a long-overdue award. She is one of the unsung heroes of British education, and her work has been absolutely fantastic. I recommend to all Members the opportunity to attend the forthcoming Merlyn-Rees memorial lecture, which the trust is organising and which will remind us all of the timeless enormity of that evil and of the need to remain vigilant to this day.

Opposition Day

[UN-ALLOTTED DAY]

Individual Voter Registration

[Relevant document: The Tenth Report from the Political and Constitutional Reform Committee, Individual Electoral Registration and Electoral Administration, HC 1463.]

3.35 pm

Sadiq Khan (Tooting) (Lab): I beg to move,

That this House recognises that according to the Electoral Commission there are currently up to 8.5 million electors missing from the UK electoral register and that the shift to individual registration is the biggest change to electoral matters since the introduction of the universal franchise; notes that there was cross-party support for the Political Parties and Elections Act 2009, which proposed a phased five-year timetable for its introduction with safeguards to protect against a drop in registration levels, but that the Government proposes speeding up the timetable, removing some of these safeguards and eroding the civic duty on registering to vote by not applying the legal obligation to respond to an electoral registration officer's request for information as exists for the household registration; further notes that, according to the Electoral Commission, if these proposed changes are not implemented properly there could be a reduction in registration of up to 65 per cent. in some areas, potentially leaving over 10 million unregistered voters, and that this would have a negative impact on the list from which jurors are drawn; believes that the 2015 boundary review process risks being discredited as a result of the unregistered millions; and calls on the Government to reconsider its current proposals that will lead to large-scale under-registration.

The move to individual electoral registration is the greatest shift in our electoral system since the introduction of the universal franchise. As a result, there is the highest imperative on us to get this right. There is wide support for the move to individual registration and an acceptance that the current system of household registration is neither fit for the modern world nor suitably robust against the perils of electoral fraud. The move is supported by the Electoral Commission, the Association of Electoral Administrators, the Electoral Reform Society and the main political parties in the House. Our concerns are not about the ultimate objective of individual electoral registration but about some of the proposed means of achieving it.

I would like to make a point that I have made a number of times before about the importance of trying to get cross-party support for constitutional change. I am afraid that I do not agree with the wording in the coalition agreement on individual electoral registration—I will come to that later—but I welcome the process that the Government have adopted and how they are acting on this matter. We have had a draft Bill and a White Paper with pre-legislative scrutiny, and the Deputy Prime Minister has said twice on the Floor of the House that the Government are willing to listen to concerns—so too, when giving evidence to the Political and Constitutional Reform Committee, did the Parliamentary Secretary, Cabinet Office, the hon. Member for Forest of Dean (Mr Harper), who has responsibility for political and constitutional reform and whom I welcome to his place. They appear to be keen to reach consensus before the Bill is finally published.

Mark Tami (Alyn and Deeside) (Lab): Does my right hon. Friend accept that when individual voter registration was introduced in Northern Ireland there was a dramatic fall in the level of registration? What will be put in place to ensure that that does not happen this time?

Sadiq Khan: I thank my hon. Friend for his intervention. He is right to remind the House that in 2002, when individual electoral registration was introduced in Northern Ireland, there was a huge fall of 11% in the number of people on the register. I hope that this Government, like the previous Government, have learned the lessons of those changes. I shall come to that point shortly, if he will allow me.

Dr Julian Lewis (New Forest East) (Con): This is a genuine inquiry: will the right hon. Gentleman inform the House whether a significant proportion of that 11% subsequently rejoined the register, or whether very few did, which would suggest that the 11% were not entirely genuine in the first place?

Sadiq Khan: As ever, the hon. Gentleman raises a good question. The evidence from the experts is that of the 11% who were taken off the register about 5% should not have been on there. There has been increased integrity in the Northern Irish system but there has also been continued instability. Those who were originally taken off but should not have been have not come back on as quickly as we would have hoped. One reason for that was that there was not the carry forward—but I shall come to later.

To be fair to the Deputy Prime Minister, he has already confirmed one concession—that the Government are minded not to pursue the so-called opt-out, which would have allowed people effectively to exclude themselves permanently from the electoral register. We welcome that and are looking for more movement from the Government. In that spirit, we have called this debate—so that the Government can hear, at a relatively early stage in the process, some of the concerns that experienced colleagues on both sides of the House have about the Bill.

I remind the House that it was the previous Labour Government who legislated to introduce individual voter registration, with cross-party support. The Political Parties and Elections Act 2009 made provision for the phased introduction of a system of voluntary individual registration up to 2015 and compulsory registration thereafter. The full and final move to an individual voter registration system would not take place until after 2015, the intention being to pace the transition, allowing the Electoral Commission to monitor registration levels adequately and guarding against any adverse decline in the size of the roll. There was genuine cause for a cautious, phased introduction. My hon. Friend the Member for Alyn and Deeside (Mark Tami) has already referred to the Northern Irish experience, but when Northern Ireland shifted to individual voter registration in 2002, there was an 11% drop in the size of the electoral roll. In the aftermath of that dip, lessons were learned from Northern Ireland's experiences which were built into our phased approach, complete with safeguards.

The 2009 Act received cross-party support. The individual voter registration provisions—in particular, the timetable and the phased introduction—came in for particular praise. The hon. Member for Epping Forest (Mrs Laing), who now sits on the Select Committee on Political and Constitutional Reform, but who was then the Conservative shadow Minister, said:

[Sadiq Khan]

"I am very pleased to have the opportunity to put it on the record once and for all that we agree with the Government that the accuracy, comprehensiveness and integrity of the register and...the system is paramount. That is one of the reasons why we will not oppose the timetable the Minister has suggested this evening...the Electoral Commission, electoral registration officers and others who will be involved in the implementation of the Government's current plans are concerned that this should not be rushed, but taken step by step to ensure that the integrity of the system is protected".

She also made a commitment that

"any future Conservative Government would never take risks with the democratic process. They would take absolutely no risks with the integrity or comprehensiveness of the register or with its accuracy."—[*Official Report*, 13 July 2009; Vol. 496, c. 108-109.]

The then Lib Dem spokesperson, the former Member for Cambridge, David Howarth, said:

"I do not think that anybody was suggesting that the timetable be artificially shortened, or that any risk be taken with the comprehensiveness of the register."—[*Official Report*, 13 July 2009; Vol. 496, c. 112.]

I am afraid that some of this Government's proposals renege on the cross-party support for the 2009 legislation, raising suspicions—fairly or unfairly—about the motives behind the shift in policy. Somehow, during that frenzied period of coalition building in 2010, the coalition agreement conjured up a specific commitment on individual voter registration, saying:

"We will reduce electoral fraud by speeding up the implementation of individual voter registration."

That expediting of the process was new, having been in neither of the coalition parties' manifestos.

Chris Ruane (Vale of Clwyd) (Lab): Does my right hon. Friend have any figures showing the number of prosecutions for electoral fraud? Have there been thousands, or tens of thousands, which would warrant such a speeding up of the process?

Sadiq Khan: My hon. Friend is right to raise the issue of electoral fraud, which we must all do our best to fight. I think there were five or six prosecutions in the recent period, which is not at the same level as Northern Ireland, for example, before the changes made there.

Mr Stewart Jackson (Peterborough) (Con): In view of the moderate and measured tone of the right hon. Gentleman's comments thus far, does he regret telling *The Guardian* on 13 October 2010 that

"10 million people could lose the right to vote",

an assertion that has been specifically rejected by the Electoral Commission's chair, Jenny Watson?

Sadiq Khan: I am grateful for the tenor of that intervention. I stand by that figure, not because it is mine, but because it is the figure given by independent experts. I will come to that estimate and who gives it shortly, if the hon. Gentleman will indulge me.

Mr David Evennett (Bexleyheath and Crayford) (Con): I welcome the fact that the shadow Secretary of State is endeavouring to be so constructive; I think that we all want to work together to improve the system in the national interest. Does he agree that the present system is not fit for purpose in the 21st century, and that we should therefore make progress and not let the matter drift for too long?

Sadiq Khan: I would not disagree with a word of what the hon. Gentleman has just said; the system is not fit for purpose in the 21st century. My hon. Friend the Member for Vale of Clwyd (Chris Ruane) has already mentioned electoral fraud, which is a live issue. We are also keen to ensure that the register is complete as well as accurate, and I will come to those matters shortly.

Mike Gapes (Ilford South) (Lab/Co-op): Does my right hon. Friend agree that one of the problems with electoral registers is that while some local authorities are very good at getting people on to the register, others get only about 80% of their local population? Does he also agree that the situation could get even worse as a result of cuts in local government spending?

Sadiq Khan: My hon. Friend is right to raise that point. To be fair to the Parliamentary Secretary, he recognised that fact when he gave evidence to the Political and Constitutional Reform Committee, and acknowledged the concerns about constrained resources. Given that local authority resources are not ring-fenced, an obvious area in which to make cuts would be in the work of the electoral registration officer's team, often at a time when that work is needed the most. There are examples of excellent practice around the country, but there are also examples of comparable constituencies with very low electoral registration levels.

Rehman Chishti (Gillingham and Rainham) (Con): The right hon. Gentleman has talked about electoral fraud, but does he acknowledge the view expressed by the Metropolitan police service that there have been more than 13,000 incidents of financial fraud in which fake entries on the electoral register have been linked to the use of false documents for financial purposes?

Sadiq Khan: The hon. Gentleman makes a good point. The credit reference agencies and the police also remind us that it is important to have an accurate and complete register, because the register is often used for credit checks, as well as by the police and local authorities in the fight against fraud. We want the electoral register to be complete and accurate; if it is not, that can lead to all sorts of problems.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): Does my right hon. Friend agree that an accurate and complete register is important not only for an effective and fully functioning democracy, but for ensuring that other parts of our Government are working well, including the selection of juries?

Sadiq Khan: This is my first chance to welcome my hon. Friend the Member for Feltham and Heston (Seema Malhotra) to her place in the House. She has had the most recent experience of fighting an election, and will be aware of the dangers of not having an accurate electoral register. She mentioned one of the important civil functions of the electoral register. She will be aware that the disadvantage for people of deciding not to be on the register is that they will not be able to serve on a jury, which can lead to the make-up of juries becoming

skewed. Instead of being tried by one's peers, a person can end up being tried only by those who are on the electoral register, rather than by a jury reflecting all those who are eligible to be on it.

The original justification for the proposals was not to save money, but that has now been put forward as a reason for speeding up the shift to individual electoral registration. This and the partisan nature of some of the Government's other constitutional proposals, including the Fixed-term Parliaments Act 2011 and the Parliamentary Voting System and Constituencies Act 2011, make some people suspicious of the motivation behind the Government's proposals. Adding to the suspicion is the speeded-up timetable in the draft Bill, which is the meat of the motion before us. The draft Bill also proposes the removal of safeguards previously agreed by all the parties.

We are concerned about proposed changes to the civic duty involved in registering to vote. Under the household registration system, failure to comply with the request by an electoral registration officer to complete a registration form could result in a £1,000 fine. Despite few prosecutions, the threat of a fine has itself had a positive impact on registration levels, as has been confirmed by electoral registration officers around the country. The warning, written in a bold large font on the front of the letter from the electoral registration officer, served as a genuine motivation to respond. Our fear, which is shared by others, is that removing the threat of a fine will have a negative impact on registration levels.

Chris Ruane: My right hon. Friend has referred to local authorities that have successfully used the threat of the £1,000 fine to increase registration rates. May I point to the example of Rhyl West, where 2,500 people were registered? The council had a crackdown, which involved placing a warning on the registration form stating that people would be fined £1,000 if they did not fill it in. It explained that failure to fill in the form would result in the chief executive sending a letter to the non-registered person and turning the matter over to his legal department. The level of voter registration went up from 2,500 to 3,500 in one year as a result.

Sadiq Khan: I thank my hon. Friend for his intervention. I have seen evidence for what he mentions, and the local authority has confirmed that it increased registration rates from 2,500 to 3,500 because of the use of that threat and a rigorous approach. As my hon. Friend suggests, the removal of the fine will diminish the ability of electoral registration officers to do their job effectively, risking damaging consequences for our democracy and society. Although the penalty for not fulfilling the current legal duty is not often imposed, it is not without effect, as has been said. It contributes to a general sense that registering to vote is a civic duty—a responsibility—and not merely an individual right or a lifestyle choice.

The Parliamentary Secretary and the Deputy Prime Minister have both declared from the Dispatch Box that the threat of the £1,000 fine is not being removed, since under their new proposals the offence of failing to respond remains for a household canvass. However, the House needs to understand the proposed changes in detail. There will indeed continue to be a form for the head of the household to complete, which is called a "household enquiry form" or HEF, and a £1,000 fine will remain for failing to comply with the request of the electoral registration officer to complete that form. Whereas completing the household registration form as it stands currently leads to those listed being registered to vote by the local authority on the processing of the form, under the new system the HEF is simply a way of capturing data on who might be eligible to vote in a property. That data will then be used by the local authority to follow up each of the named individuals with a personal approach containing a voter registration form. However, there is no legal duty to comply with a local authority request to complete an individual registration form and there is no threat of a £1,000 fine for not responding. We believe that that is a dangerous anomaly in the proposed legislation, which we fear could have a damaging effect on registration levels.

Dame Anne Begg (Aberdeen South) (Lab): Does my right hon. Friend share my concern that although some people purposely do not want to be on the register, large numbers might be excluded from it because they have not been helped? I am thinking particularly of those with learning disabilities. Often, those who might be helping people with learning difficulties have a strange view about whether they should be allowed to vote. It is crucial that everyone in our society be enfranchised and that no one is ruled out because they are not given the support that they should receive to ensure that they are properly registered.

Sadiq Khan: My hon. Friend makes her point far better than I would have made it. She will be aware of the representations made by Scope and others. There could be confusion at an early stage when somebody completing the household form assumes, as in the past, that they are automatically on the register, without realising that the individual form they receive also needs to be completed. If we take into account the fact that many people have learning difficulties, that for others English is not their first language and that that these changes are being contemplated at a time when the register arguably needs to be at its most accurate, the position becomes very worrying—even more so if we reflect on the diminution of resources to which my hon. Friend the Member for Ilford South (Mike Gapes) referred.

Mr Stewart Jackson *rose—*

Mr Speaker: Order. Before the hon. Gentleman intervenes, let me make the point that 19 hon. Members are seeking to speak in the debate. If I am to have any chance of accommodating that level of interest, self-restraint—in respect of Front-Bench speeches and the length of interventions—will be essential.

Mr Jackson: I am mindful of your admonition, Mr Speaker.

I am puzzled by the right hon. Gentleman's views on household registration, given that the Electoral Commission has said that

> "The 'household' registration system means there is no personal ownership by citizens of a fundamental aspect of their participation in our democracy—their right to vote".

Is he saying that he is in favour of household registration, whose removal is at the centre of these reforms, or not?

Sadiq Khan: I think the hon. Gentleman misunderstands his own position. The Political Parties and Elections Act 2009 was quite clear, as some Conservative Members have said. We believe in individual voter registration. What we do not agree with is having an incomplete or inaccurate register, and some of the currently proposed changes could lead to just that.

The absence of the threat of a fine also undermines the data-matching pilots launched recently, which we also welcome. We support attempts to discover the names of those who are not on the register by using other datasets held by the public sector, but the same obstacle occurs—those individuals will at most receive a personalised approach by the local authorities to register to vote but there will be no legal ramifications if they fail to comply with the local authority request. The Minister has previously said at the Dispatch Box words to the effect that he did not want there to be a threat of criminal conviction for failure to respond to a registration form from an electoral registration officer. Let me address that point. We are open to discussion of whether a system of fixed penalty notices for those who fail to complete their registration form might be more appropriate. The Electoral Commission is also in favour of a system of civil penalties as well as a range of incentives to encourage registration. The Minister will be aware that in Northern Ireland, which already has individual electoral registration, the offence for failing to respond to a request from an electoral registration officer has been maintained. Either way, there needs to be some kind of motivation, backed up with the threat of a sanction, if we are to keep registration levels high.

The implications of the coalition Government's proposals concern us. Although they might lead to a more accurate electoral register in the sense that people who should not be on it will not be on it, they are also likely to lead to a considerably less comprehensive electoral roll. Recent research by the Electoral Commission shows that up to 8.5 million eligible voters currently are not registered to vote—5 million more than previously thought—and it has warned of a risk of a slump in registration levels from more than 90% to 65%. That equates to more than 10 million eligible voters who should be on the register not being on it.

Ms Karen Buck (Westminster North) (Lab): The issue here is the correlation between the likelihood of a person's registering on the electoral register and their being in the private rented sector, is it not? The rapid growth of private rented accommodation places people at the highest risk of not having the information necessary to be on the register. Would my right hon. Friend support discussion with the Government about how resources could be directed particularly towards the local authorities with the largest private rented sectors to help to target that problem?

Sadiq Khan: My hon. Friend is right to make that point and her view is shared not only by those who represent areas such as those she has mentioned but by the Association of Electoral Administrators, which believes there could be a 10% to 15% drop in suburban areas and a drop of up to 35% in the areas she has mentioned. The Minister said some very encouraging words when he gave evidence to the Select Committee and I look forward to hearing what he says in his response about resources and how he can target the finite resources he has on the areas that need them the most. Experts are as concerned as my hon. Friend that young people, students and people with learning disabilities and other forms of disability, as well as those living in areas of high social deprivation, are less likely to be registered. Some of those groups are already the most marginalised in society.

Many of us will have experienced examples of stretched electoral registration officers and limited resources, and there is a real concern about the impact of cuts to local authorities and budget pressures on the Electoral Commission at a time when they are needed the most. Those concerns are compounded by the fact that the 2015 boundary change enshrined in the Parliamentary Voting System and Constituencies Act 2011 will take place on the new register composed of individual registrations. Although the draft legislation contains a safeguard—an effort to ensure the 2015 general election is not undermined by a significant decline in registered electors—which we welcome, there is no such safeguard for the boundary review, which will take place later in the same year. Given that the general election and the boundary review are due to take place in 2015, it seems odd to choose 2014-15 as the period for introducing individual electoral registration. It would make more sense to begin the process later or at least to extend the period of its implementation. Alternatively, registration under the current system could be carried forward for the boundary review, as is proposed for the 2015 general election. None of those options should cost any more than the Government's current plans.

Duncan Hames (Chippenham) (LD): It is the Government's and indeed Parliament's intention to equalise the size of parliamentary constituencies. Does the right hon. Gentleman share my concern that if the changes to those electorates as a result of individual voter registration were, even entirely properly, to be in any way unequal across different locations, that could result in the creation of unequal constituencies and in the Government's failing to meet that objective?

Sadiq Khan: The hon. Gentleman is right to raise that point. In seats where there is a large number of students there could be a bigger slump than in areas where there is a large number of owner-occupiers. There could be a second major boundary change in five years, if there is a big slump in those on the register. Bearing in mind that the register is used to determine boundaries, the changes could lead to some of the concerns that the hon. Gentleman alluded to. If the formation of new boundaries goes ahead, with 10 million missing voters—not my figures but those of independent experts—it risks another substantial upheaval of parliamentary constituency boundaries to deal with that large loss of voters.

We should not forget that the electoral roll is not used simply for election purposes and for drawing boundaries; the register also performs an important civil function.

Mark Durkan (Foyle) (SDLP): The shadow Minister was making a point about the impact of the changes on the next boundary review. Has he been able to estimate the consequences of under-registration on this side of the water? The measures will not apply to Northern Ireland, which has already taken its hit and is recovering, but they could lead to an increased number of seats

being allocated to Northern Ireland under the constituency formula, in turn inflating the size of the Assembly, which is based on parliamentary constituencies.

Sadiq Khan: My hon. Friend makes a good point. Members laughed during his intervention, but he is right to remind us indirectly of the formula by which seats are divided up. I am sure that when the Minister responds he will address the hon. Gentleman's point, because an unintended consequence of reducing the number of voters is that the formula may lead to the changes he mentioned.

It will be more difficult for people who are absent from the roll to get credit checks, undermining their ability to apply for loans or mortgages, and it will be more difficult for those trying to prevent money laundering to check identities. The lists from which juries are drawn would be compromised. One of the fundamentals of our justice system—that defendants should be subject to trial by their peers—would be threatened. If individuals are given the right to opt out of registering to vote, by implication they could opt out of jury service, which currently is rightly deemed a civic duty.

Andrew Griffiths (Burton) (Con): On the point about people being denied a loan or a mortgage if they are not on the electoral register as a result of the changes, is not the simple answer that they can register? The changes would not prevent anybody from getting a mortgage, but they will prevent people from getting a mortgage illegally.

Sadiq Khan: That is one of the benefits of an accurate and complete register, but the changes could lead to debtors, or the police or councils, not being able to chase people because they are not on the register. Council tax benefit and housing benefit fraud is often caught when people are seen on the register. The hon. Gentleman is right to say that there is individual choice and that consequences flow from that, but he fails to recognise the civil functions and the benefits to society of a complete and accurate register.

The electoral register is used by local authorities, and sometimes Departments, to help them in their duties related to security, law enforcement and crime prevention—for example, checking entitlement to council tax discount or housing benefit. The register is also used to ensure that political parties and candidates can contact electors to try to persuade them to vote or—dare I say it—to get involved in party politics. The Government's current proposals could lead to a number of unintended consequences that no one wants to materialise.

The concerns are not just coming from the Opposition; the Electoral Reform Society is unhappy that registration is simply a matter of take it or leave it for individuals. The cross-party Political and Constitutional Reform Committee has produced an excellent report, for which I thank the Committee, that calls for it to be an offence to fail to complete a voter registration form, although perhaps only for a period of time during the transition. Like the Electoral Commission, the Committee has rightly called for a full household canvass in 2014, and echoes our concerns about the 2015 boundary changes. We welcome some of the Committee's other main recommendations.

We recognise that there is a problem with the current electoral register, both of accuracy and completeness, and I genuinely look forward to working with the Government to safeguard the integrity of our electoral system and to improve registration levels in the move to individual voter registration. I hope the motion will be debated in a spirit of consensus and that it will be supported on both sides of the House.

4.5 pm

The Parliamentary Secretary, Cabinet Office (Mr Mark Harper): It is good to be having this debate at, I think, the third time of asking. Before I explain the rationale for our proposals and deal with the motion, I want to thank the right hon. Member for Tooting (Sadiq Khan) for the tone in which he has engaged with the debate. I have certainly engaged with it in such a way, and I do not think that he will mind if I point out that his party did not adopt that approach from the beginning. Last autumn, the right hon. Gentleman's party leader said that we were making registration individual rather than household, and that the Labour party was going to go out and fight against that change, stating:

"One of the most basic decent human rights...is the right to vote."

I absolutely agree, but I do not know why he wanted to campaign against our proposals.

The shadow Deputy Prime Minister, the right hon. and learned Member for Camberwell and Peckham (Ms Harman), said at the Labour conference that our proposals were

"a shameful assault on people's democratic rights",

and that Labour would expose and campaign against them. I thought that that was nonsense at the time. Clearly, the right hon. Member for Tooting thought so, although he could not say so, and he has adopted a much more sensible tone.

Finally in that vein, in an article on the Labour Uncut website, the shadow Minister, the hon. Member for Caerphilly (Mr David), said that the Conservative-led Government had taken the Labour Government's proposals—these are his words, not mine—and

"infused them with its own distinctive venom."

I have been accused of many things, but never that.

People got carried away with those remarks, which were rather absurd, and I am glad that the right hon. Gentleman has returned to a more sensible tone whereby we can debate these sensible proposals. There is a lot of agreement on the move to individual registration, which will improve our system, and we can consider our specific proposals and the response that we make to the Select Committee report. I am happy to conduct the debate in that spirit.

Frank Dobson (Holborn and St Pancras) (Lab): In view of the fact that the Electoral Commission is saying that there may already be as many as 8 million people who are entitled to be on the register but are not on it, is it not, shall we say, counter-intuitive for any of us to discuss proposals that are likely to reduce the number of people on the register? Surely the objective of the Electoral Commission and the rest of us should be to maximise the number of people who are entitled to take part in our democracy legitimately. Individual registration is not likely to achieve that, particularly as it is in response, apparently, to just six prosecutions for electoral fraud.

Mr Harper: I agree with the right hon. Gentleman's conclusion, which is that we should try to maximise the number of eligible voters—obviously, people who are on the register are entitled to vote—but I do not agree that individual registration is likely to reduce that number. To return to the matter of Northern Ireland—I shall expand on this later—given what we now know about the register in Great Britain, which is that about 85% of voters are registered, that register is in no better shape than that in Northern Ireland, where individual registration has already been introduced, as have a number of measures on continuous registration, such as data matching, which we propose to have at the same time. There is good evidence that if individual voter registration is introduced properly, with some of those other measures, a register may be achieved that is both more accurate and more complete than the one we have today.

Dr Julian Lewis: In general, I am happy with my hon. Friend's proposals, but the one thing in the Opposition motion that strikes me is the abolition of the sanction if people do not register. We do not believe in compulsory voting, but up to now we have always believed in compulsory registration. Will he reassure us on that specific point?

Mr Harper: Let me come to that point in a moment, because I want to spend a little time on it, if I may. If my hon. Friend does not think that I have addressed it, I shall be happy to take another intervention from him.

Let me run through one or two parts of the motion that are defective, and which lead me to urge my hon. Friends to oppose it. I hope that I shall do so with the same tone with which the right hon. Member for Tooting introduced it. It is true that we supported the proposals for individual registration in the Political Parties and Elections Act 2009, but it is worth reminding the House that the previous Government had to be dragged kicking and screaming to include them. They were not in the Bill when it was introduced in the House of Commons, which is why we voted for a reasoned amendment. In fact, they were not in the Bill at all when it left the House of Commons, although by that stage the Labour Government had made a commitment to include them, and they were introduced in the other place.

My right hon. Friend the Member for Horsham (Mr Maude), who was leading for us on the issue at the time, said:

> "I am glad that at the eleventh hour the Government have, at last, agreed to move ahead with individual voter registration, albeit in what still seems to be a lamentably leisurely time scale. They committed to the principle of individual voter registration many years ago, but a bit like St. Augustine, they seem to be saying, 'Make me chaste, but not yet.'"—[*Official Report*, 2 March 2009; Vol. 488, c. 695.]

My right hon. Friend made it clear that we approved of the decision to proceed with individual registration, which we thought could be accomplished earlier. We said that it would be our intention to do so, but that is not what the right hon. Gentleman said. On page 47 of our 2010 manifesto we made a commitment to

> "swiftly implement individual voter registration".

It is not fair—or, at least, it leaves out something quite important—to say that there was complete cross-party consensus on that measure.

Chris Ruane: I was one of those who did not want the previous Government to introduce the measure, but consensus was gained and it was introduced. That consensus has now been destroyed for the sake of a single year. The Government have shattered that consensus across the country—not just in Parliament but outside, too. Why do so just for one year? Is it anything to do with the 2015 election and the boundary freeze date of 1 December 2015?

Mr Harper: No, it is not. If the hon. Gentleman will listen, we have introduced proposals having learned from the experience of Northern Ireland, for example in the carry-forward, to make sure that we minimise the risk of any drop in the registered electorate before the 2015 election. Between that election and the drawing up of registers for the next boundary review, there will be another full household canvass. There are therefore good safeguards in the system to make sure that the general election and the 2015 boundary review are held on the most accurate and complete registers possible. I shall say a little more about that later.

I do not think that it is correct to say that the Government have eroded the civic duty of registering to vote. It is not an offence—this comes back to the point that my hon. Friend the Member for New Forest East (Dr Lewis) made—not to be registered to vote. It is an offence to refuse to provide information to an electoral registration officer on the household canvass form when required to do so. We do not propose to change that, but I must note that there is some doubt about how effective that is, given that about 15% of electors are not registered to vote. I shall say a little more about that later.

I accept that the way in which we phrased our original proposals, with regard to the opt-out and some of the language that we used—I said this when I gave evidence to the Select Committee on Political and Constitutional Reform—could have led people to think that we wanted to weaken the extent to which we felt citizens had an obligation to register to vote. The Deputy Prime Minister and I have both said that we are minded to change that provision when we introduce our Bill. To be fair, the right hon. Member for Tooting acknowledged that.

Bob Stewart (Beckenham) (Con): My hon. Friend has half-answered my question. Why are we not making the system as effective as possible, and making people register to vote properly?

Mr Harper: We are retaining the offence of not responding to the household form. The logic is that if someone does not respond, they affect not just themselves but perhaps other people's right to vote. That is why we have kept that proposal. We then faced the question, in the returning of the invitation to register, of whether we really wanted to create a criminal offence and criminalise people for not registering to vote. First, I start from the position of thinking that that would not be effective. The evidence at best, if I am being generous, is very mixed about whether that is effective. Secondly, we do not want to clog up the court system with a huge number of these cases. In Northern Ireland, where someone correctly said the offence of not returning the individual form exists, the provision has in effect become meaningless because when it was used in court and someone was prosecuted, the court gave them a slap on the wrist with a fine of 1p. The provision has effectively become unusable.

Chris Ruane: The evidence that I gave earlier from Rhyl in my constituency was that in the poorest ward in the whole of Wales—there are 1,900 sub-wards in Wales and this is the poorest—registration went up 2,500 to 3,500 in one year because of the threat of the fine. If the Minister does not want to make failure to register a criminal offence, how about a fixed penalty notice of £70 or £80? If people are determined to stay off the register, that is up to them, but they would face a £70 fine. If that happens time and again, perhaps he would consider making it a criminal offence after two or three times. How about that?

Mr Harper: I am glad that the hon. Gentleman raised that. He made exactly that point at Deputy Prime Minister's questions on 15 November and my right hon. Friend said that we would look into it. Indeed, I did. Although the numbers did broadly increase as the hon. Gentleman says, they did not do so over a year. The increase in the electorate in Rhyl West from 2,474 to 3,531 took place over a period of nine years—*[Interruption.]* I am sorry, I have the number of electors registered in front of me. I will not bore the House by reading them out, but the increase took place over a period of eight years, so I am afraid I do not think he has got his facts quite right.

Nia Griffith (Llanelli) (Lab): I implore the Minister to look again at this. Clearly, if failing to send back the annual survey is to incur a penalty, it seems illogical not to insist that failing to send back the individual form should also incur a penalty. As my hon. Friend the Member for Vale of Clwyd (Chris Ruane) said, some sort of fine that is clearly expressed to people, rather than hidden away in the small print, is a tremendous incentive to return the form. The absence of a penalty seems like a missed opportunity.

Mr Harper: Let me skip ahead to a quotation a little later in my remarks, which is relevant. There is a purpose in doing as the hon. Lady suggests only if it is effective. The evidence from the Information Society Alliance, for example, in its survey shows that compulsory registration —in other words, saying that people have to register or there will be a penalty—does not

"yield registration rates notably above those achieved in countries without compulsory registration."

So it is not particularly effective. If I were persuaded that it was, I might look at it again. I certainly do not want to criminalise millions of people.

The current system, where failure to respond on the household registration form carries a penalty, is not noticeably effective because, as we now know, 15% of electors are missing. The single biggest reason why people are not registered to vote is that they move house frequently. One of the things that we need to do, which I will come on to, is to look at ways in which we can track people more quickly when they move house and get them registered to vote.

Nic Dakin (Scunthorpe) (Lab): From the perspective of individuals in households, I am concerned about what appears to be duplication under the new system. There is a household form and an individual voter registration form. This seems to go against the red tape challenge and from an individual's point of view seems over-bureaucratic. I am worried that that will confuse people.

Mr Harper: The hon. Gentleman raises a good point, and I will come on to it when I speak about the modified canvass in 2014. Registration officers made the same point about why it was not a good idea to do a full household canvass in the traditional way in 2014 and then immediately write to everybody with an invitation to register. Their view was that as well as being costly, that would end up confusing people, which is why we set out a modified canvass, on which people also have strong views. I shall deal with that in more detail later.

Simon Hughes (Bermondsey and Old Southwark) (LD): I am grateful for the tone of the debate so far. I have a constituency in Southwark where we probably have about a 25% turnover of electorate every year. I am therefore very clear in my view that it ought not to be a criminal offence if people do not send back the form, but that there ought to be an incentive to do so and failure to do so should be subject to an administrative penalty. That changes the culture and means that everybody understands that the obligation is to register—not to vote, but to register and give themselves the right to vote when the time comes. I am clear that we need that culture shift.

Mr Harper: I have listened carefully to what the right hon. Gentleman has said about the turnover of electors in his constituency. I am very clear that we want a consistent outcome from the process and for as many people as possible to be registered, but in order for that to be effective we might need to allow electoral registration officers to adapt their approach, depending on the nature of the constituency. In areas such as his constituency, or Tower Hamlets, which I have visited, where the turnover is 40%, a completely different methodology is adopted, for example by visiting every household in the first instance, rather than sending out forms. Such an approach would not be adopted in constituencies where there was much less turnover. We must allow electoral registration officers that flexibility in order to get a consistent outcome.

I have two more points to make on the motion before saying a little more about our proposals. The right hon. Member for Tooting referred to 10 million people being removed from the electoral register. He originally used that figure in a piece in the comment section of *The Guardian* on 13 October 2010. The Electoral Commission responded and made it clear that it did not state that 10 million people could lose the right to vote as a result of our proposals. I simply do not think that his claim is a realistic assessment based on any kind of evidence at all. I also gently point out that there is a mistake in the motion when it states that registration rates could fall by 65%. I think that it meant to say that registration rates could fall to 65%, because that is the number that some people have bandied about, but that is not what it says.

The motion relates to the 2015 boundary review, by which I mean the boundary review that will start in 2015 and use the 2015 register. As I have said, after the next general election there will be a full household canvass in 2015, at which those who have moved house

[Mr Harper]

since the previous registration will be invited to register. I think there is a good process in place to ensure that that register is as full and accurate as possible.

Paul Blomfield (Sheffield Central) (Lab): On the Minister's point about the views of the Electoral Commission, did not the chair of the commission say on 15 September:

"It is logical to suggest that those that do not vote in elections will not see the point of registering to vote and it is possible that the register may therefore go from a 90 per cent completeness that we currently have to 60-65 per cent"?

Mr Harper: She did, but she was talking about our proposal to allow voters to opt out by having a simple tick box on the form. We listened carefully to what the chair of the commission said, as did others, and the Deputy Prime Minister and I have confirmed that we are minded to change those parts of our provisions. The thing that she was concerned about that might have a direct effect, because people might tick the box, could also send out the message that we were less interested in people registering to vote. We have already accepted that that could have those consequences, which is why we have said that we will change it, and I think that that acknowledgment has been welcomed by the commission and its chair.

My final point on the motion is about the way it finishes by simply stating as a fact that moving to a system of individual registration

"will lead to large-scale under-registration."

I simply do not think that there is any evidence to support that proposition. The motion is not quite in the spirit and tone with which the right hon. Gentleman introduced it. When the debate finishes, I urge my hon. Friends to oppose the motion, but to do so in the same constructive spirit with which he introduced it.

Let me say a little more about our proposals. I am happy to take interventions, but I will try to be mindful of your point, Mr Speaker, about the number of Members who wish to speak. I am pleased that the overall shift to individual registration is supported by all parties in the House—it was in all three main parties' manifestos. The Electoral Commission supports it, as do the Association of Electoral Administrators, a wide range of international observers and the Political and Constitutional Reform Committee, whose Chair was present for the earlier part of the debate. There is much cross-party agreement on the principle and I recognise that we are effectively arguing over the detail.

The old, or current, system, involving the old-fashioned notion of a head of household who registers everyone else, is a little out of date and, as Members on both sides of the House have acknowledged, gives one person the ability to affect other people's registration. We do not adopt that approach in other areas where people interact with the state, and the Electoral Commission has stated very clearly that the

"'Household' registration system means there is no personal ownership by citizens of a fundamental aspect of their participation in our democracy—their right to vote. This is too important to be left for anybody other than the individual".

The Government agree, and I could not have put it better myself.

There is also a risk of fraud. The issue is not just about the fraud that actually takes place, but the risk of it, and even international observers, when they come and look at our system, note that we are very lucky to have a relatively low level of fraud. That is not because of our system, it is despite our system, and we would not be doing our jobs properly if we left in place a system that was open to fraud, even if we have been fortunate enough not to have had a huge amount of it to date that we know about.

Sheila Gilmore (Edinburgh East) (Lab): I do not necessarily accept the proposition that fraud is a major issue in Britain, but the reason for making the suggested changes within this time scale—that they were so important that they had to be speeded up—does not get away from the fraud that can be perpetrated, for example, by someone simply turning up at a polling station and saying that they are somebody else. In a flat-share situation, somebody may not have registered, but, if somebody else has and they have moved away, the former can turn up and say, "I'm Joe Bloggs, and here I am." As long as they are the right gender, they are able to vote, so if fraud is such a major issue should we not look at what happens when people turn up at the polling station?

Mr Harper: That point has been made, and I looked at it when I visited Northern Ireland, which, for historical reasons and for the reasons it introduced the system ahead of us, requires people to have a form of photo ID when they vote. When that was introduced, it meant that many people were not able to vote, but it is now working smoothly. It has been suggested to us that we should adopt that system. The Government have decided not to do so, but we will listen to the evidence, as it certainly happens in one part of the United Kingdom. As far as I understand—I stand to be corrected—it currently works pretty smoothly, and for those electors who do not have their own form of photo ID, such as a passport or driving licence, there is a specific and very simple electoral ID card, with no database behind it, which they can use to prove their identity—and their age, for all sorts of other interesting purposes that to young people are probably more attractive than being able to vote.

Jacob Rees-Mogg (North East Somerset) (Con): Does the Minister agree that the occasions of personation fraud are extremely rare, but that more fraud is thought to exist in postal voting and that, perhaps, more restrictions should be placed on that?

Mr Harper: My hon. Friend makes a good point, and there was a certain amount of fraud in the early 2000s. That is why the previous Government, to be fair and to their credit, tightened up postal voting and introduced the system of requiring identifiers, whereby an individual has to have their date of birth and provide a signature. We can at least be sure that the person who requested the postal vote is the person casting it, but of course it does not give us any confidence in that person being the real, genuine person who lives in that house, as someone may have created a fictitious identity. We can be sure that the person who requested the postal vote is the person casting it, but they could do so on the basis of a completely fictitious identity. Postal voting has been tightened up, and that is good. It is something that we supported and which the previous Government did.

Another reason for speeding up the system is that running parallel systems—the current system and the new system—was likely to be rather confusing and was, I have to say, going to cost a significant amount. We are investing a significant sum in getting this right—*[Interruption.]* If the hon. Member for Vale of Clwyd (Chris Ruane) just lets me finish, we are going to spend £108 million on moving to the system of registration, so we are fully funding the move, and by not trying to run it in parallel with the current system we have saved £74 million, which, given the state of the economy and the public finances that we inherited, a point that I will not labour, is not an insubstantial factor to bear in mind. But it is not at the expense of ensuring that we have a secure and accurate register.

Mr Wayne David (Caerphilly) (Lab): The Minister has mentioned postal voting and how important it is becoming in our electoral system. Why are the Government not prepared to consider a carry-forward of current postal voters on to the new register?

Mr Harper: The reason for the carry-forward was to ensure that people who had been registered to vote but had not registered once under the new system did not suddenly discover that they were not able to vote at the general election. The carry-forward was a check. In an ideal world, one would introduce a new system and not bother having the carry-forward. It was a safety net.

As I said to my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg), although postal voters provide identifiers, those do not provide any confidence or evidence that the voter is a real person. They provide confidence that the person casting the postal vote is the person who applied for the postal vote, but they do not get around the problem of people being able to create fictional identities and carry out postal vote fraud. We therefore did not think that it was sensible to extend the carry-forward to postal votes. There will still be carry-forward on the register, so people will still be able to vote, but we will not carry forward people's absent vote. We do not think that that is likely to cause an enormous problem. The hon. Member for Caerphilly should wait for us to respond to the report of the Political and Constitutional Reform Committee in the not-too-distant future, because I think he will be reassured by our answers.

As I made clear to the House in my statement last September, we are focused as much on completeness as accuracy. We instigated and funded the independent research by the Electoral Commission to see what state the current registration system was in. That should make us pause to reflect. When we have discussed this matter previously, there has been a complacent view that everything is fine, that there are not many problems, and that we are at risk of tampering with the system and causing a problem. The fact is that the current system is not as good as people thought it was.

I made the point that in Northern Ireland, where individual registration was introduced and where it now has a number of continuous registration mechanisms, such as putting back the carry-forward and using data matching, the system is now as complete as and more accurate than that in the rest of the United Kingdom. That demonstrates that if we do this well, learning the lessons from Northern Ireland, looking at things such as data matching and carrying out the proposal sensibly by having pre-legislative scrutiny and listening to what people have to say, we will not damage the registration system, as the hon. Member for Vale of Clwyd said, but have a more accurate and complete register over time than the one we have today.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): For people such as me who are unaware of events in Northern Ireland, will the Minister inform the House how long equalisation took to take place?

Mr Harper: What the research has shown about the drop in the register in Northern Ireland is interesting. Some of the drop was expected because, after all, part of the point of introducing the system early in Northern Ireland was that it was understood that a number of people on the register there did not exist and we wanted to get rid of them. However, it is not clear that the drop in Northern Ireland was any larger than that in the rest of the United Kingdom. Therefore, there may well have been a drop in those who were eligible to vote because they did not go through the slightly increased bureaucracy. However, most of that seems to have been fixed by reintroducing the carry-forward, so that people who did not register the first time around are not penalised. We have learned from that. Having had Northern Ireland go first and having learned the lessons from what it has done, we can be reasonably confident that we will not run into the same problems.

I am also pleased that, as the right hon. Member for Tooting said, we have gone about this in a conciliatory way. We published a White Paper last year. We then published draft legislation, consulted on it and asked the Political and Constitutional Reform Committee to do full pre-legislative scrutiny on it. The Committee has taken evidence from a wide range of stakeholders, including me. It has raised a number of concerns, some of which the right hon. Gentleman mentioned. The Government will respond shortly to the Committee's report. I urge all hon. Members, particularly those who are interested in this subject, to look at our response because it will address a number of the issues that were raised. Hon. Members can be confident that we will not run into those difficulties. For example, we have already mentioned the carry-forward, and we will not require people to re-register all their details every year if they do not move house. They will simply have to confirm that they have not moved. In Northern Ireland, people have to go through the whole process every year.

I have referred a few times to data matching. We have examined other public databases in a number of local authorities to see how successful we can be in finding people who are not registered to vote. We are in the process of finalising our assessment of that programme, and the Electoral Commission will also be doing so having worked closely with us. I am confident that it will demonstrate that we can use those extra data, as happens in Northern Ireland, to improve the register.

Younger people have been mentioned, and we want to ensure that we allow people to register online in a secure way, which will particularly help younger people. To pick up on a point made by the hon. Member for Aberdeen South (Dame Anne Begg), it will potentially also help people who are disabled and find it easier to use electronic methods. I absolutely agree with her that

[Mr Harper]

people with learning disabilities are entitled to register to vote and to cast their vote. From my experience of working with Scope and attending its reception immediately after the election, and of talking to people with learning disabilities, particularly younger people, I know that they are just as able as anybody else to understand the issues involved and make decisions, and nobody should tell them that they should not. I wanted to put that on the record in strong support of what the hon. Lady said.

Bob Stewart: As the head of a household almost filled with very young people, it seems to me that the key to getting an understanding of who should be voting is the head of household registration form. When that form is filled out, it gives the key to who is living in the household, and then we can ensure that they are voting. I hope that that will be very much part of the system in future.

Madam Deputy Speaker (Dawn Primarolo): Order. Just before the Minister responds, may I very gently remind him—I am sure he is bearing this in mind—that a very large number of Members want to speak in this debate? I am already going to reduce their time limit to eight minutes, so I hope that he may be reaching the point of being about to conclude.

Mr Harper: I think, Madam Deputy Speaker, that is your rather clever way of telling me not to take so many interventions and not to be quite so generous to colleagues, so I will listen to you very carefully and move on. However, I confirm to my hon. Friend the Member for Beckenham (Bob Stewart) that we will continue to use the household registration form.

I wish to give an example of how I believe we can improve things. On my visit to Northern Ireland, I visited Grosvenor grammar school in the Belfast East constituency and met the excellent head teacher, Mr McLoughlin, together with the head of the Electoral Office for Northern Ireland. I had a look at one of the outreach exercises there, in which people go into schools and work with 16 and 17-year-olds to get them on the register in time, so that when they turn 18 they can vote. I saw 164 16 and 17-year-olds get registered to vote. Interestingly, Northern Ireland now has a higher rate of attainers—16 and 17-year-old soon-to-be voters—being registered on its system than we do in Great Britain. The lesson of that is that if we allow electoral registration officers to be more innovative and sign up voters directly, rather than relying on the head of the household, we can do better than we do today. I hope that will reassure the hon. Member for Vale of Clwyd, notwithstanding the fact that he is not in favour of the procedure. I have already mentioned that we have said that we will change the opt-out provision.

The final point that I wish to put on the record is about the transitional arrangements for 2014-15. I have said that we will undertake a modified canvass in 2014, and I explained in response to an intervention some of the rationale behind that. I have explained why we do not want to run a full canvass and then write to everybody shortly afterwards. The clear advice that we received from administrators was that that would be confusing and not very effective, as well as coming with a very large bill.

I believe that given what I have said, and given what will be in our response to the Select Committee's report, which Members will see in the not-too-distant future, they will be reassured about how we are addressing the issue. Today, they can do what I asked them to do at the beginning of my remarks and vote against the motion in a constructive spirit and with confidence that we are listening carefully to the concerns that have been raised.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. Before we continue the debate, I point out to all hon. Members that the time limit now in operation for Back-Bench speakers will be eight minutes. I ask hon. Members to bear that in mind in respect of the frequency with which they take interventions, because with an eight-minute limit, we will still not get all speakers in, and I am keen to do so if at all possible.

4.40 pm

Chris Ruane (Vale of Clwyd) (Lab): The Electoral Commission has said that the current proposals would be the biggest changes in registration since 1832. That reference to the 19th century is apt. In the 19th century, electoral change enfranchised men—much of it was geared around property ownership, but it was nevertheless progress. In the 20th century—I believe it was in 1920—the vote was extended to women. The 20th century will be remembered for that. The 21st century, however, could be remembered as the time when the Liberals and the Conservatives kept or chased 16 million British voters off the electoral register.

Mr Harper: The hon. Gentleman hasn't got the message.

Chris Ruane: I have got the message, and I understand it: the message is about political gain. The Minister is right that his proposals should be judged on the impact they have on registration rates. We will hold him to that and I am glad he said it. He said his proposals would lead to a more accurate and more comprehensive register. We will be watching every step of the way.

I should also point out how the previous Labour Administration operated on crucial constitutional and electoral issues in their 13 years and beyond in office.

Andrew Griffiths: Will the hon. Gentleman give way?

Chris Ruane: No, I will not.

The previous Administration operated in a consensual, co-operative, non-partisan way. I shall give three examples. We had a sufficient majority to foist first past the post on the devolved Assemblies and Parliament, but we did not do things the way Labour might have wanted. We were consensual and adopted proportional representation. In around 2000, Labour introduced PR for European elections. That meant Wales went from having five seats to one seat. Labour introduced PR for local government in Scotland. That was against Labour's electoral best wishes, but we introduced it. We were consensual.

On registration, in 2001 Labour introduced a rule that took thousands if not millions off the register. We said, "If you don't sign the register two years in a row, you go off it, even if we know you are still in that house." We did that so that we could have an accurate register.

In 2009, we gained consensus on individual registration. I am in favour of individual registration if we have a comprehensive register to start with. Anything less than that will result in a greater and faster fall in the number of people who are registered. This Parliament has a reputation—it is known around the world as the mother of Parliaments—but if this coalition Government introduce legislation that ends up with 16 million people off the register, we will be laughed at around the world.

In 2009, when Labour introduced individual registration, we learned the lessons from Northern Ireland. We realised that there were 3.5 million off the register. The time scale that we came up with—a five or six-year period up to 2015—was sufficient to increase the number of registered voters. There was consensus and agreement on that. In the meantime, we improved data matches, commissioned more research and had stricter electoral registration officer invigilation. In 2010, we put an extra 400,000 people on the register.

We can compare and contrast that with what the Conservative-Liberal coalition has done. It has brought that date forward from 2015 to 2014, pushed back the date of the next election to 2015, introduced an opt-out, and changed the wording from "civic duty" to "lifestyle choice". This is not happenstance: the Conservatives have a bigger and bolder vision. They failed with the poll tax in the 1990s to drive millions of poorer people off the register, but they are taking a second bite at the cherry. The Liberal Democrats should watch out. They might think they are doing well out of this, but the hon. Member for Ceredigion (Mr Williams) had one of the lowest registration rates in Wales, with 54% registration rates in Bronglais ward. It is an issue that affects Liberal Democrats as well as Labour, so they should be warned.

The Electoral Commission dropped two bombshells. One was that the number of unregistered people in the UK was not 3.5 million but 6 million, which will rise to 8.5 million. That was no bombshell to me, because I had met Experian 18 months previously and was told it was6 million. I gave that information to the Electoral Commission and people there almost laughed at it. They have commissioned research and they say that my 6 million is not the same 6 million as theirs. That means it could be even more, but the fact remains there were 6 million in December 2010, rising to 8.5 million by April 2011. The profile of those unregistered people is black and ethnic, young people living in houses in multiple occupation, the low paid and the unemployed. There are 6 million missing now, and potentially an additional 10 million if these proposals go ahead.

The proposed legislation will have unintended—or perhaps intended—consequences. I ask the Minister, who is jabbering away, what consultation he has had with the police on these issues, because much of the reduction in registration that will result from his legislation will be in areas with high levels of crime. I know that the Association of Chief Police Officers and the police are not happy with the proposals. What consultations has the Minister had with the judiciary? These proposals will have a direct impact on jury service, as juries are selected from the electoral register. People will not be judged by a jury of their peers, but by a jury of some of their peers—often richer peers. The credit reference agencies use the electoral register, and the changes might push people towards loan sharks. Charities and fund-raising organisations are also concerned.

Nic Dakin: How does my hon. Friend see the changes impacting on future boundaries?

Chris Ruane: The freeze date for the next Boundary Commission review is December 2015. There will be a carry-over to the general election in May 2015, but there will be no carry-over to the 1 December deadline so we could see a reduction from 90% registration rates to 60%—an extra 10 million of the poorest people not on the register. If we think the boundary review is bad this time, it will be 10 times as bad in December 2015. I warn the Liberal Democrats again: they have bitten off more than they can chew and should think carefully.

I ask the Minister to listen not to me—he probably thinks I am biased—but to the Electoral Commission, and to the Electoral Reform Society which has described these measures as "catastrophic". I ask him to listen to the Political and Constitutional Reform Committee and the academics. All those bodies and people have massive reservations about these proposals.

The Minister mentioned developing countries. If we saw a developing country trying to shift a third of its poorest voters off the electoral register, we would send in observers in a heartbeat. We will become the laughing stock of the world if the Minister and his coalition partners introduce the legislation as proposed.

4.49 pm

Mr David Evennett (Bexleyheath and Crayford) (Con): I welcome the opportunity to contribute to this important debate and I also welcome the aim of Members on both sides of the House to improve the system of electoral registration. It is important that everybody who is eligible to vote is on the electoral register, but I believe that the motion is misguided and, in parts, wrong. We all want the most accurate and up-to-date register of electors possible, with a system that is fit for the 21st century and offers better protection against fraud. We need, however, to be moderate and constructive in our tone and approach. I do not want to follow the direction taken by the hon. Member for Vale of Clwyd (Chris Ruane), although I admire the tenacity shown in his speech.

I welcome the speech given by the shadow Secretary of State. It was moderate, much better than the motion, constructive and a determined attempt to breach the gulf that the motion suggests can be found in the House. I strongly support the comments made by my hon. Friend the Minister, who was constructive, positive and extremely moderate.

I believe that we should support all the principles behind individual elector registration. First, giving individuals control of their electoral registration is an important extension of the right to vote, individual responsibility and participatory democracy. Secondly, requiring electors to provide proof of identity will be an effective way of preventing fraud and anomalies in

[Mr David Evennett]

elections. Thirdly, we must prevent people from being added to the electoral roll who do not have the right to vote. Those are key questions that we are endeavouring to address through this reform.

I have concerns about the current system, which is outdated and potentially open to great abuse. The number of people who are not registered to vote is a worry. Millions of people across the country supposedly do not register to vote, either through choice or because they have not been adequately pursued by the electoral registration officers to return their forms by the deadline, and the Electoral Commission has given us a list of figures that shows how many millions are missing from the register.

Other issues distort the completeness of the register. I know that some people are left on the register when they have not returned a form, which is also a real concern. I have seen many cases of people being added to the register for a property they have moved into without the previous residents being crossed off. I regularly canvass across my constituency and I find at each session that many households in each road and block of flats are not on the register. An increasing number of people contact my office who are not on the electoral roll and that is unacceptable, as we want people to be on the roll so that we maximise their opportunities to participate.

I do not think that enough is done to pursue those who do not register to vote and I believe that that is detrimental to the democratic process. If people do not register, they are wasting their opportunity to vote and be part of the democratic process. If, ultimately, they do not want to turn out on election day and vote, that is their democratic right and choice. Although some councils are good at pursuing unregistered households, or those that have not returned their form, many others are not, and that needs to improve.

The next issue I want to raise is the potential abuse of the system. At present, there is no requirement for people to provide any evidence of their identity to register to vote, which leaves the system open to potential fraud. I am anxious about the number of people who are on the register but should not be, such as those who have been added by the head of the household. I hope that the Minister will reconsider the issue of proof of identity when someone goes to the polling station, which he mentioned in his excellent speech, and the need to ensure that the person who is entitled to vote is the person who has turned up claiming to be eligible.

I believe that under the current system insufficient checks are made to ensure that those who do not have the right to vote are not registered. I know of examples of that from across my borough. Some visitors, temporary residents and those who are here illegally are on the register. It has also been suggested that in urban areas, some landlords are the only person on the register for properties they rent out. That is unfair and wrong.

Nick de Bois (Enfield North) (Con): Is my hon. Friend surprised to learn that in a random sample of 80 of our constituency cases involving those applying for citizenship, 15% were already on the electoral roll with no entitlement to be on it?

Mr Evennett: My hon. Friend makes a strong point. We have experienced that in my constituency as well; it is another area that we need to tighten up. I am grateful to him for his comment.

Siobhain McDonagh (Mitcham and Morden) (Lab): Is the hon. Gentleman aware that people from Commonwealth countries do not need to be UK citizens to vote?

Mr Evennett: I am grateful for that comment. It is a fair point, and I note it and agree with it.

Giving individuals control of their own electoral registration is an important extension of the right to vote. We had a detailed history lesson from the hon. Member for Vale of Clwyd about when people got the vote, in what century and so forth. I think, though, that it is people's responsibility to make the effort to ensure that they are on the register and that they participate. The current system is undoubtedly outdated, as my hon. Friend the Minister said, and dependent on somebody completing a form on behalf of everyone in the household. In this day and age, that cannot be acceptable. People should have the individual right to register.

I welcome the constructive comments that we have heard today about how to improve the proposals from my hon. Friend the Minister. I am sure that he will listen to and take many of them on board and implement the change to the betterment of our democracy, which is the whole point of this approach. The Electoral Commission has been calling for the introduction of IER since 2003 in order to reduce fraud and give individuals

"clear ownership of their right to vote".

Dr Stuart Wilks-Heeg, executive director of Democratic Audit, said: "I welcome the proposals". He thought that the change was long overdue.

The evidence suggests that electoral legislation will improve the completeness and accuracy of the electoral roll. I passionately believe that it will. We heard about Northern Ireland. Of course, there was a drop-off in the initial stages, but since getting under way it has returned to a reasonable registration level—and probably a better one than we have experienced here.

It is true that there is a huge turnover in rented properties. I hope that my hon. Friend will consider whether housing associations can be more helpful and involved in the promotion of IER. They have a role and could help to ensure that the register is more accurate. I am thinking, in particular, about literature and encouraging people to participate by getting themselves on the register.

I hope that the Government will assure us that there are sufficient resources for electoral registration officers to publicise the change and undertake the tasks. Maladministration should not get in the way of democracy. I also encourage the Minister to look at the necessary legislation and encourage councils, where possible, to improve data sharing between departments. The accuracy of the electoral register would improve if social services and council tax departments could advise their electoral registration departments of any changes so that the latter can pursue them with the relevant households.

My own council, Bexley council, is considering a "tell us once" policy in respect of all administrative changes, and I urge other councils to try to do the same. It would

certainly help if people, when they move or have social services changes, can inform the council once, rather than having to contact endless numbers of departments. I believe that that would improve the electoral register.

I welcome the Government's conciliatory, constructive and moderate approach to this issue and the commitment from my hon. Friend the Minister that care will be taken to introduce the new system without losing voters from the register. I welcome the sensible change that will take place over the year and the fact that, we hope, there will be more people on the register and more people wanting to vote. It is part of our job to encourage people to participate more in the democratic system, so we need not just to get them on the register but to get them out and voting. I hope that changing to individual registration might be one way forward.

Duncan Hames: Does the hon. Gentleman agree that the introduction of individual voter registration provides an opportunity to work in schools to get young people on the electoral register earlier, even if they still have to wait until 18 for the vote, so that they have the opportunity to practise registering twice before it really matters?

Mr Evennett: My hon. Friend makes a good point. Education is very important. When I visit schools, I try to encourage everyone in the sixth form to participate, get on the register and vote when the time comes.

Today's motion does not do justice to the right hon. Member for Tooting (Sadiq Khan). We are looking to improve the system and I welcome the Government's proposals to do just that.

4.59 pm

Siobhain McDonagh (Mitcham and Morden) (Lab): I rise not to oppose individual registration but to ask Members from all parts of the House not to throw away household registration without understanding the benefits it brings. No system brings perfection, but in the words of the great Joni Mitchell, "You don't know what you've got 'til it's gone."

I would suggest that in my constituency and other urban areas such as south London under-representation on the register among young people will be made worse by the quick introduction of individual registration. That was brought home to me at the last election. As I walked through Mitcham town centre on election day 2010, large numbers of young people came up to me and said, "Oh, hi Siobhain! I just wanted to say that we've been out to vote." I thought, "Great!"—I did not ask who they had voted for; the point was that they had been out to vote. It made me think about mums as electoral registration officers as often it is the head of the household who puts those young people on the register, and getting those young people to sign a form to get on the register, which requires their name, address, date of birth and national insurance number, will be a difficult feat that will take several years.

I ask the House not to despise our experience of actual elections. Who was it who told us that the Child Support Agency did not work, if not our individual voters and constituents? We all know how difficult it is to get people to register and to vote. We also know the practical difficulties with all the mail that we receive in our households every day, where somebody can come along, pick it up and throw it in the bin. Where there are four, five or six electoral registration forms, how successfully do we really believe each one will actually be completed?

Much mention has been made of the 11% reduction in the electoral register in Northern Ireland, but Northern Ireland as a community is so far removed from my constituency as to be another continent. We have a different turnover of people on the electoral register; we have a different, multi-ethnic make-up. Who is it who does not vote? It is, yes, young people and people with private tenancies or in houses in multiple occupation; but it is also some—but not all—ethnic minorities. If we look at America, which has individual electoral registration, as well as a difficult history of voter representation among some communities, we see that registration among the under-25s is about 58.5%, while six in 10 of those who rent privately are not on the register. Conversely, 80% of those with an income of over $100,000 a year are registered. Therefore, those who are rich are two thirds more likely to be on the electoral register than those who are poor.

We get rid of the annual canvass at our peril. At the moment, with one electoral form per household, only 65% of people in even a wealthy borough such as Merton in my constituency return their forms without the canvass. That figure later goes up, to 97%, because of the canvass and the encouragement, and also because of the threat of fines. That is what gets those forms returned and gets the canvass up, and at the moment we are asking for one form from every household. We are not asking for multiple forms.

Data matching is presented as the holy grail that will sort this issue out. However, as we have discovered from the investigation done by the Political and Constitutional Reform Committee, chaired by my hon. Friend the Member for Nottingham North (Mr Allen), the electoral register is the most accurate of all our databases. Electoral registration officers have told us that when they cross-reference with the Department for Work and Pensions register, it tells them what they already know. It does not tell them what they do not know. Indeed, each of the Government's six pilots to look at individual registration has faced increased costs, of between 50% and 100%, for electoral registration officers. I ask all Members here this evening: how likely are their councils to increase their funding by that amount, at a time when they are reducing spending on social services, education and all the things that our constituents come to see us about?

There is talk of fraud in electoral registration, but I would suggest that our problem is not an inflated electoral register but one whose figures are too low. My anxiety is not related to party considerations. I will fight in my constituency to win as many votes as I can get; like most Members, I love elections. I love the fight, and the arguments about the issues. That is what encourages us to get involved, and it is our role to get as many people as possible on to the register. However, if we do anything to alienate those groups in our society that are already alienated, we will bear the brunt of that action. The riots that we saw last summer will be repeated if more people begin to believe that they have nothing invested in the system.

I believe that registering and voting involve a social contract. People register to become part of the system and, in return, they can claim the benefits that they are entitled to, and they can get a library card, a driving

[Siobhain McDonagh]

licence or whatever. If we undo that social contract, we will find it very difficult to put that genie back in the bottle and get more electors on to the register. Individual registration is fine, but the Government should not get rid of household registration until they are absolutely sure that the young men and women of 18, 19 and 20 in constituencies such as mine will register to vote without the benefit of their mum registering them.

5.6 pm

Mr Mark Williams (Ceredigion) (LD): I welcome this debate, and the consensual approach that has been taken by those on both Front Benches. That approach was not taken by the hon. Member for Vale of Clwyd (Chris Ruane), who is no longer in his place, but I pay tribute to him for speaking with great passion on these matters. He genuinely cares about them, and he has an encyclopaedic knowledge of just about all the 1,900 electoral districts in Wales. He is attempting to set up an all-party group on this subject, which I think will attract widespread support in the House.

I hope that the debate will encourage the Government to take all the necessary measures to ensure that we have a register that is as complete as possible, that leaves us less open to fraud, and that, critically, enfranchises those who have not had ownership of their vote in recent years. I know that that is the Government's intention, but we are all mindful of the recent report from the Electoral Commission, which showed that at least 6 million people who were eligible were not registered in December 2010. That figure could grow significantly if this matter is not handled with care.

We have heard concerns expressed over the potential for fraud. There is consensus over individual electoral registration, and it is important to reiterate that IER is not about a choice between integrity and completeness; if it is done in the correct way, it can be a means of achieving both. During the consultation on IER last year, my noble Friend Lord Tyler and I—on behalf of the Liberal Democrat Back-Bench committee on these matters—reiterated our party's support for individual electoral registration, but we also highlighted our concerns over implementation, and we continue to do so. In particular, we believe that the legal requirement to register should remain.

I was pleased to hear last autumn that the Government will be looking again at the opt-out suggestion, and that the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper) has reiterated that intention. I hope that the Government will continue in that vein and reflect on the legal requirement to register. I commend to the House the debate in the House of Lords that my noble Friend Lord Rennard conducted last Thursday, in which he observed that one of the main strengths of the existing registration system was that it was based on a legal requirement to register. That is also the view of electoral registration officers.

Prosecutions under the current offence are of course minimal; there were only 144 in the past year. The hon. Member for Mitcham and Morden (Siobhain McDonagh) mentioned the civic duty to register, and I would suggest that that is strengthened by phrases being included on the registration form. The hon. Member for Vale of Clwyd also mentioned this, giving an example of people being told that they had to register every year by law, and being informed of the penalties for not doing so. I am not suggesting that we should extend the £1,000 penalty, but having a fixed-term penalty is a suggestion worth reflecting on. Without it, we run the risk of thousands of people not bothering to register. Whether those on the list choose to exercise the franchise is quite another matter and not what we are discussing today. I do not believe that there is a consensus on removing the legal requirement. The Select Committee on Political and Constitutional Reform—I see in his place its Chairman, the hon. Member for Nottingham North (Mr Allen)—made that point very strongly.

The Government could be described as making—I hesitate to say this—a liberal argument for removing any sense of compulsion, but I feel that this duty is more of a burden to the state and the local authorities that have to chase the data than to any individual. There is little feeling now that compulsory registration is a burden for householders. I do not believe it would be a burden for individuals, but what we risk doing is undermining an important civic duty that, critically, will have knock-on implications in areas where we rely on electoral registration data, such as for jury service, as the newly elected hon. Member for Feltham and Heston (Seema Malhotra) was the first to point out. Jury service was not even considered as part of the Government's impact assessment.

The key point, I feel, is that the worst possible time to remove the legal requirement is when we are changing the system we use. Individual electoral registration can be adopted without removing a legal requirement to register; indeed, it can be enhanced. In that spirit, I agree with the Select Committee's recommendation of making it an offence to fail to complete the voter registration form, which could then be reviewed at the end of five years.

The second area of potential contention is the annual canvass—a canvass that will, if anything, be even more important in 2014. We must ensure that the changes to the system of registration are communicated and that, as usual, as many people are added to the register as possible. I would like to hear more from the Minister about what he means by the amended canvass. He has talked about putting in place a new system under which every voter will be contacted, but there is something special about the full household canvass. In particular, how will the Minister get to those hard-to-reach groups? He has indicated a willingness to look further at the issue of the 2014 canvass, but I want to reiterate how important this is for those hard-to-reach groups. It is important for them to have the ability not just to vote, but, as we have heard, to access credit. One of the first items checked by credit references companies is whether someone is on the electoral register.

I have mentioned and commended the hon. Member for Vale of Clwyd who has on many occasions highlighted the example of one ward in my constituency. This ward combines the huge challenge—the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards), like me, a former student of Aberystwyth university will understand this—of comprising a large student community, a huge number of houses in multiple occupancy and areas that are designated "deprived". *[Interruption.]* I apologise, as my hon. Friend the Member for North Cornwall (Dan Rogerson) is another who will know this for the same reason. IER will fail those constituents if they are not given the chance—indeed, the incentive—to register.

Without reopening the whole issue of the redrawing of constituency boundaries, with which my colleagues with Welsh constituencies are coming to terms, I have to say that the spectre of the system of voter registration—not a move in the population or a decline in the population determining the size of a constituency—remains a big concern. Our Back-Bench committee also has concerns about ending the transitional stage in 2015. Clearly, given the importance of a complete register to the 2015 boundary review, it would also make sense for the transitional phase to encompass both that review and elections to the devolved Administrations and local authorities in 2016.

I think there is a growing consensus on those concerns, but I commend the Government for their work on data-matching pilots and I am encouraged by what we have heard about the experience of Northern Ireland in respect of schools. We need to use the enrolment process in universities to sign up students. The Government are undertaking a welter of other schemes, involving the Driver and Vehicle Licensing Agency and the Passport Office. I believe that the Government are in listening mode. They have listened to date and have taken heed of many of the concerns we have raised. I hope that that will continue. We will support the Government tonight, but on the basis that the listening approach will continue.

5.15 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I want to raise two specific concerns, the first of which is that although some of the changes are welcome, they are characteristic of a Government who are too frequently looking through the wrong end of the microscope and thus finding the wrong solutions to the wrong problems. The second concern is about making major changes to electoral registration while substantial changes are to take place as a result of boundary reorganisation. No part of the UK will be hit worse by this than my country, Wales.

There is surely consensus that the preferred outcome is that all adults who are entitled to vote should be registered. Everyone should be on the electoral roll and have the opportunity to cast their vote at elections. The principle of individual electoral registration is positive—that electors should take upon themselves the responsibility to register to vote in their own right rather than under the aegis of a household. All relevant people should be willing and able to register and should have the same opportunity to do so. However, there might be a disconnect between equality of opportunity and equality of outcome in that although relevant people may register, they might not all actually do so. The Minister said that the Government hoped to learn lessons from Northern Ireland, and I look forward to seeing some of the resulting changes in the Bill. However, I believe that when the changes were introduced in Northern Ireland in 2002—the hon. Member for Foyle (Mark Durkan) might wish to correct me—there was a fall of 11% in registered electors, and it has taken more than 10 years to rebuild the figures.

According to the White Paper, an estimated 3.5 million people of voting age across England and Wales were not on the electoral roll at the most recent estimate. The Electoral Commission reported in December 2010 that 6 million people were not registered across the UK. It is unclear to me how IER, which creates a greater barrier to registration, will achieve a closer parity to ensure that as many people as possible are on the electoral roll.

If the White Paper is to be believed, then fear of electoral fraud is the major reason for a change to individual electoral registration and for this happening before the next Westminster election. The White Paper refers to the findings of an Organisation for Security and Co-operation in Europe report regarding the recommendation of an identification requirement to safeguard against fraudulent registration. However, the OSCE was informed of that problem by representatives of political parties when they gave evidence, so this is a circular argument. We tell the OSCE there is a problem, it writes a report saying that we have identified a problem and then we use its report to justify action. That is not evidence-based decision making.

From the testimony provided in the White Paper, it seems that fear of fraud rather than actual fraud is the problem. The attitudinal survey quoted in the White Paper is evidence not that the current system is not working but merely that media stories have raised awareness of the possibility of fraud. Those are two very different things. Perhaps for my party more than anything else I am concerned that the proposals, which aim to tackle what appears to be limited electoral fraud, might lead to unintended consequences.

Electoral registration has greater relevance than ever following the Parliamentary Voting System and Constituencies Act 2011, which the Minister drove through last year. The Act will create constituencies designed to have voter numbers within 5% of a UK constituency mean that is predicated upon the number of electors on the electoral roll rather than in the actual adult population. That is the key point. As we have consistently said in our criticisms, the formation of these new constituencies ignores community, historical and geographical links. We saw that last week in Wales, where some of the proposed constituencies are not very practical.

We are also worried by the size of some of the proposed mega-constituencies in Wales of more than 1,500 square miles, which is an incredible size. Apart from that, to be fair, the Boundary Commission for Wales has done a good job, especially in Carmarthenshire. My point, though, is that non-registration becomes crucial because not only are non-registered people disfranchised and unable to vote but their non-registration increases the actual population of the constituency. Full registration must therefore be the principal aim of any change in registration, and it is very unclear from the Government's proposals to date how the changes will bring that about.

The same is true of suggestions that a voluntary registration scheme should be introduced. The Electoral Commission estimates that a voluntary registration scheme, as suggested in paragraph 74 of the White Paper, may see a significant drop in the number of relevant adults on the electoral register, from around 90% to as low as 65%. That would clearly not assist in full registration, and given the introduction of the new population link for constituency boundaries, the impact of the change would be significant and would require the electoral map to be wholly redrawn once again to reflect the changes and ignore those we might describe as the non-people, as well as potentially disfranchising more than a third of our adult population. As we already know, electoral participation is skewed towards particular parts of society and to lose the participation of those

[Jonathan Edwards]

who are more transitory or migratory, and less interested in politics, would have a strong impact on our society and our politics.

I have been very good by butchering my speech to keep it within eight minutes. I conclude by noting that I hold deep reservations that the measures proposed in the White Paper will not assist in increasing the number of adults on the electoral register, and may have negative unintended consequences on voter registration and constituencies. Electoral registration is an issue that must have cross-party consensus and I hope that that can be achieved before any changes are introduced.

5.21 pm

Mr Matthew Offord (Hendon) (Con): We have heard a lot this afternoon about lack of registration, but I am particularly keen to talk about the number of fraudulent applications on electoral registers. As a consequence, I welcome the Government's plans for an overhaul of the electoral registration process.

Ever since the introduction of the Representation of the People Act 2000, which allowed postal voting on demand, we have witnessed abuses across the country. Under election law, anyone from a Commonwealth country can vote in a general election if they are resident in the UK, but names can be added to the electoral roll and people can become eligible for a postal vote without anyone checking their identities or whether they are actually in the country. At the last election, the Metropolitan police examined 28 claims of major abuses across 12 London boroughs against accusations that political activists were packing the electoral roll at the last minute with the names of relatives living overseas, or were simply inventing phantom voters.

During my election campaign in 2010, we saw an increase in the number of postal vote applications from homes in multiple occupation. It was certainly a contrast to the number of voters in single-family homes. I have also received many anecdotal comments from constituents who witnessed the fact that there were duplicate names and mass entries on the register from houses and flats with a small number of bedrooms. I have discussed the issue with my local authority, which has confirmed its active interest in such irregularities.

I stress that I have no criticism of the professionalism of the electoral returning officer and her staff. They find themselves in a position where they have to follow the registration process, which includes sending two forms to households and if no response is received following that up with a canvasser. In some cases, local authorities remove the names, but Barnet allows names to roll over to the following year. The Government's proposals will remove that uncertainty and we shall know exactly who is in the property and when.

In September last year, I raised with the Leader of the House the problem of individuals who make multiple applications at different addresses by registering at a property they own but at which they do not reside. He said in his response:

> "It is an offence to provide false information to electoral returning officers, and if that happens I hope they would pursue it. As my hon. Friend will know, we are introducing individual electoral registration, which will reduce the opportunity for fraud because people will have to provide some evidence of identity before they are added to the register.—[*Official Report*, 8 September 2011; Vol. 532, c.561-2.]

Siobhain McDonagh: Will the hon. Gentleman address the point that his Government's assessment of the proposal admits that fraudulent over-registration is rare?

Mr Offord: The Government can say that, but I can only speak on behalf of my constituents; we have found evidence to the contrary.

I have reported some of my suspicions to the Metropolitan police but their response was a scratching of their collective head. I reported the accusations to Metropolitan Police Commissioner Bernard Hogan-Howe and received a response from Detective Chief Superintendent Richard Martin of the specialist crime directorate who advised me:

> "As you correctly state it is within the will of the Police to investigate issues relating to Electoral Offences...In exercising this discretion the Commissioner must take into account the public interest in pursuing a criminal investigation."

The list cited by DCS Martin for lack of action by the police included

> "whether an alternative remedy is available, whether an investigation has been undertaken by a regulatory body or governing profession, whether civil as opposed to criminal proceedings would lead to a more appropriate solution, whether the matters have become stale, the extent to which criminal proceedings may amount to an abuse of the legal process, the proportionality of instigating a police investigation having regard to the stigma which attaches to a criminal conviction".

All those mean that the police will not take any action.

The Government say that, in addition to trust and security, ensuring that the electoral register is as complete as possible is central to the credibility of our electoral system and the basis of our democratic process, and we all agree on that here today, but the current system for registering to vote relies on trust that those who register are indeed eligible.

As Labour Front Benchers have tabled the motion, they need to answer some questions, particularly about a candidate in the Greater London authority elections who resides in Westminster, in Westbourne Grove, and registers himself on the electoral register with his girlfriend at his permanent residence, but has continued to allow himself to be registered at a second property he owns in the London borough of Barnet that is inhabited by his tenant. If that is not legally wrong, it is certainly morally wrong, and it is dishonest to mislead voters into presuming that the candidate lives locally.

Where would Labour Front Benchers say that that person lived? For sure, many Members of the House have access to two properties, and the law states that people who have two homes are allowed to register at both addresses, but it is an offence to vote more than once in a general election, although such people may vote in both areas at local elections. The Representation of the People Act also states that the person may register only at an address where they are freely able to return. That means people such as students living at their parents' home, or even MPs returning to a family home in their constituency who have a property in London. It does not include landlords who rent out their properties and then decide that it may be electorally advantageous to them to maintain their entry on a second electoral register elsewhere from their permanent residence.

I shall vote against the Opposition motion—not solely on partisan lines, but because the measures outlined by the Government will address concerns of which I have experience. The proposal that every elector will have to register individually and provide identifying information that will be used to verify their entitlement to be included on the electoral register is vital. Only once their application has been verified can a person be added to the register.

In addition, the Government's proposal to change electoral registration legislation to put in place a framework that reflects more closely how people choose to engage with the Government and create flexibility for the system to keep pace with technological developments is another initiative that I welcome. That will help to make registration easier, more convenient and more efficient, opening the way for other methods of registration, such as telephone and online. Those are all areas that younger people are particularly keen on. The idea of completing a paper form that comes through the door each autumn or when people move house is as antiquated as electoral law itself.

These measures will help to restore trust in the electoral system, which has been eroded in the past decade by legislation that was perhaps well meaning, but which was wide open to abuse. I believe that that is what most of us here want, so I shall support the Government on the issue.

5.28 pm

Mr Graham Allen (Nottingham North) (Lab): I apologise to you, Madam Deputy Speaker, and to the House for necessarily being out of the Chamber at about 4 o'clock. I apologise in particular to the Minister, who is always most courteous in such circumstances.

If the House has any sacred duty, and that is arguable, it is that we should ensure that the British people are able to elect those of us who come to this Chamber. That is one of the most important things that any of us in the House can stand up for and fight for. Today, we have a chance to do that, but we need to consider one other thing. The hon. Member for Hendon (Mr Offord) was right to talk about abuse of the electoral registration system, but the biggest abuse of that system is not the five or six cases nationwide that went to court on fraud charges, but the fact that all of us in the Chamber have at least 10,000 people in our constituency who are not on the register to vote. That is the biggest abuse, and it is the most important thing to put right when we look at individual voter registration.

Siobhain McDonagh: Is my hon. Friend aware that in the ICM poll for the Electoral Commission, which has been cited as the basis for much of the legislation, barely 2% of people thought that registering to vote was very unsafe, and that 20 times as many people were satisfied with the way in which they registered to vote as the number who were dissatisfied?

Mr Allen: My hon. Friend makes her case eloquently, and she is a great champion of ensuring that members of the public in her constituency and elsewhere are on the register. We need to support that sentiment, and only we in the Chamber can do so.

We do that partly through the activities of the Political and Constitutional Reform Committee, which I am fortunate to chair. It is an active Committee, and some of its members are in the Chamber: my hon. Friend the Member for Edinburgh East (Sheila Gilmore) and the hon. Member for Burton (Andrew Griffiths). I pay tribute to the hon. Member for Epping Forest (Mrs Laing), who spoke on behalf of the Committee when I was absent due to ill health when this matter was last debated.

We have worked together, and we have worked with the Government, to try to make the proposal better. Given the exchanges that have taken place, the House is in severe danger of doing the job that members of the public elected it to do. The Government have submitted a pre-legislative proposal to the Select Committee, which is how things should happen. The Select Committee responded with non-partisan efforts to determine a better Bill and to make better proposals, some of which have already been heard by the Government. Today, we are having a measured debate. There may not be a great drama if we tend to agree on a number of the issues, but that is what the House should do when proposed legislation is introduced, so that we end up with better legislation.

Bill Esterson (Sefton Central) (Lab): My hon. Friend is making a good speech and an important contribution to the debate. Will he comment on the concerns, particularly in urban areas, about the change to individual registration without safeguards? Those of us who represent such areas will have far more people to represent, often with far greater problems.

Mr Allen: My hon. Friend, as always, is well ahead of me, and I shall come on to those points.

Something that unites everyone in the House is the feeling that individual voter registration is right. We have heard concern from Members from all parts of the House that unless the measure is implemented effectively we could snatch defeat from the jaws of victory. I do not think that anyone wants that to happen. Listening to us in the House and making sure that this is done properly will ensure that the measure—what the Electoral Commission called the "biggest change" in the franchise since the introduction of universal suffrage—is implemented effectively so that everyone can benefit, rather than partially or going off at half-cock and getting it all wrong.

Our anxiety in the Select Committee fell into several parts. The blockbuster came when we heard from the Electoral Commission and the Association of Electoral Administrators about the fact that if we did not do this right, not only might 10,000 people on average in every constituency not appear on the register, as only 90% of people would register, but that that figure could drop by a third, making the situation even worse, perhaps going down to 60%. That was a shock to the Select Committee and to members of all parties represented on it. I know that that is not the Minister's intention, and that he will keep listening to ensure that as many people as possible are on the register.

Our anxieties—I shall put them to the Minister again—covered a number of areas. First, I pay tribute to him and to his colleagues for listening to what we had to say on the opt-out: the tick box saying "Don't bother me any more. I don't want to be registered. Leave me alone." The fact that the Government listened to those representations very early bodes well for future amendments.

[Mr Allen]

Secondly, on the issue of registration and whether non-registration should be an offence, I ask the Government to think again. We heard what my hon. Friend the Member for Vale of Clwyd (Chris Ruane) said about the evidence from Rhyl. He made a compelling case that there may well be a better way to deal with the matter. Perhaps it is not by means of a £1,000 fine or by taking up half the space of the form with bold red capitals, but maybe it is. I ask the Government to take the matter away and think again. There are people who need a little encouragement, a little nudge to register, and across the House we should consider the best way to do that.

My third point concerns the full household canvass. I do not know whether the Minister said anything about that, but I hope he is keeping an open mind as the process develops. One of the particular concerns of the Committee were the areas that already have high rates of under-registration. We need to consider whether there is something we can do across the board or in those specific circumstances to ensure that something is done in areas that are brought to our attention as having a large unregistered population. I hope the Minister will look at that.

Another point that came up repeatedly was the funding of electoral registration officers. I will not get into the subject of local government expenditure and reductions, but we cannot put a price on democracy. If additional resources are needed or existing resources ought to be ring-fenced, we would all commend the Government for thinking further about that. I say no more than that. I do not offer a magic solution. I do not propose any more than was suggested in Committee, but I hope that electoral registration and returning officers locally are given the sort of support that will enable thousands and possibly hundreds of thousands of people to participate in our democracy, as is their right.

I guess colleagues have very much in mind yet another redistribution of parliamentary seats and boundary changes. If there is a catastrophic fall in the numbers of people on the registers, all of us, regardless of party, nation or region within the United Kingdom, will again face the merry-go-round of boundary redistribution. All I will say to the Minister is that if this debate is an exemplar of the way we can conduct our business in the House and reach as close to consensus as we can, perhaps the way in which previous Bills have been dealt with is an example of how not to do it. Let us not inadvertently have a rerun of the boundary changes under which we are all labouring now, with the accidental reduction of a register causing yet another boundary change. I hope that lesson can be learned, otherwise Members in the House will be representing numbers rather than places and people.

Finally, I commend the Government and my Front-Bench team for the way we have managed through the parliamentary process—of course there have been the ding-dongs, the public exchange of insults and so on—to make a better proposal than we started with. I hope very much that the Government, who have listened, will continue to listen and that we will have a piece of legislation that we can be proud of and that introduces individual voter registration in a way that we would all want.

5.38 pm

Dan Rogerson (North Cornwall) (LD): I would like to cover a couple of elements connected with the prospective legislation though perhaps not the main business. The Minister makes eye contact with me, so I am sure he can imagine what one of those elements will be. First, I would like to pay tribute to the hon. Member for Nottingham North (Mr Allen) and his Committee for the work that they have done, although I take issue with one aspect of that, to which I shall return as the second of my two points.

My first point relates to multiple property owners. The hon. Member for Hendon (Mr Offord) referred to this issue, but it has a particular resonance in constituencies such as mine where many properties are second or holiday homes. I pay tribute to a local campaigner, Mr Angus Lamond, who stood as an independent candidate for Cornwall council in the first elections to that new authority in 2009. He stood in a coastal ward with a high number of such properties and noticed that their owners were being targeted in a particular way to get them out to vote. According to the Electoral Commission's guidance, it seems that many of them should not have been on the local electoral register, because we are talking not about people who divide their time relatively equally between two places, but about those who spend a few weekends or a few weeks in the summer in their properties and who are, according to my definition, in no way resident in the community. Some of those people have had second homes for many years and play an active role in the community, for example by fundraising for the local lifeboat, but as a general principle it ought to be the people who live in the community who get to vote, particularly in local authority elections.

I have been told that it is perfectly legal for people to be registered in a number of places and to vote in other local elections on the same day by postal vote. I would like us to consider whether that is right, because by allowing that we are effectively saying that those who are fortunate enough to own more than one property can have more of a say in what goes on in this country than those who are not, and I find that very difficult. If we are to have a system that recognised that some people genuinely live in two parts of the country for different parts of the year, whether because of their business lives, family circumstances or studies, I do not have a problem with making them specify which home they regard as their primary address. If one is talking to our great friends in Her Majesty's Revenue and Customs for capital gains purposes—famously, some former Members might have juggled the property they registered with HMRC as their normal residence—one should have to specify where and in which community ones lives.

If we are to have an electoral system based on constituency mandate—I, of course, favour a more proportional system—that mandate is very important and should be the same for local and national elections. Is there really a problem otherwise? Two of the constituencies in Cornwall were decided at the last general election by small majorities: one changed hands with a majority of 66 and the other was won by fewer than 500 votes. I am in no way criticising the duly elected Members of Parliament for those constituencies, who I am sure won fair and square; I am merely making the point that we are talking about sometimes very narrow margins of victory.

Sheila Gilmore: I am not convinced that the current proposals will address the problem that the hon. Gentleman is talking about. I wonder what his view is of the coalition Government's decision not to go ahead with the system proposed by the previous Government, which would have enabled such cross-checking. Under the current proposals, so long as an elector provides their local electoral registration officer with their identifier, they could still register in more than one place, which I think is what he believes to be a problem.

Dan Rogerson: The hon. Lady makes a fair point. I have discussed this with the Minister informally and in meetings, including one that involved the constituent I mentioned earlier. I am seeking to urge the Minister to do all he can to provide local electoral registration officers with the tools they need for cross-checking so that they can be confident that the people who are presented to them are resident in the community. In the best-case scenario, we have people who are on the register and who scrupulously ensure that they vote in two places only in local elections and only in one place in general elections. Of course, some of them might vote in both places in a general election, or even in three or four places. Realistically, what electoral registration officer will have the wherewithal to indentify where an elector's other properties are and to get hold of the marked register for those places in order to perform that cross-checking? I am genuinely concerned about that and hope that the Minister will take my comments on board and look at what can be done.

There are further connected issues. If we as a Government are moving towards more consultative referendums locally on planning and local plans, I can see a slight diversion of interest in an area between those who have a second home and those who are trying desperately to secure an affordable home when it comes to what the local plan says about, for example, the provision of affordable housing and where it might be located.

The same thing might be said of a referendum under the Localism Act 2011 to vary council tax upwards in order to provide local services, with local authorities quite rightly having to make the case to the electorate on such issues. People who are not so involved in the services in an area may still have a view on having to pay for them. The flipside of that argument is no taxation without representation, but that does not apply to council tax. With business rates, people have a big stake in a local community, but they have not had the opportunity to vote in local elections for a long time, and we should see people who have the luxury of a second property as being more in line with people who operate a business in that area, rather than as a resident paying council tax. I urge the Minister to ensure that that question is addressed as we move forward.

My second point, on which I disagree slightly with the report by the Committee chaired by the hon. Member for Nottingham North, is about the edited register, which does a huge amount of good for business. We have heard already about tackling credit card fraud, and the agencies that pursue it often use the edited register. The Salvation Army and others do fantastic work in reuniting separated families, and it has told me how much it relies on the edited register to do so. Many other practitioners in the field reunite people who have been adopted with their birth parents, and other family members who have lost contact with each other.

Work is undertaken on dormant assets and matters of probate, and the people involved all make use of the edited register, so I hope that when the Minister comes to legislate he will think carefully about how that aspect of the register is treated. I accept that for reasons of safety people should be able to opt out, and we have that safeguard in place already, but when the edited register meets so many demands in society it ought to be a provision that we retain. Charity fundraisers, a category that I did not mention, also make great use of the register, so before we throw it out we should look at what it achieves.

I support my hon. Friend the Member for Ceredigion (Mr Williams) on the importance of a canvass in the run-up to a general election, and many have made the point that a 2014 canvass would help a great deal with preparations for the next general election. So, although I shall happily support the Government tonight, I urge the Minister to consider carefully the key issues of the edited register and second-home voters.

Several hon. Members *rose—*

Madam Deputy Speaker (Dawn Primarolo): Order. I am going to reduce the time limit to six minutes in an attempt to get everybody into this part of the debate, which is due to end at 6.40 pm for the Front Benchers' winding-up speeches. We may have a little latitude.

5.48 pm

Paul Blomfield (Sheffield Central) (Lab): I welcome the opportunity to contribute to this debate, which gives us the chance to consider what sort of democracy we want in this country. There is, as several Members have said, a distinct choice when it comes to how we see voting: it is either a civic duty or, at the other end of the spectrum, a consumer choice. The current system is clearly based on the principle of civic duty, but I note the Minister's earlier description of the second form as an invitation to register, and the Government's proposals move us significantly towards the consumer choice end of the spectrum.

Notwithstanding the Government's back-pedalling on the opt-out, which I welcome, there remains substantial concern across the board about the impact of their proposals on the number of people who will be knocked off the electoral register. We know who those people are: they are those who are more mobile, younger people, those from black and minority ethnic communities, and those who are poorer.

I recognise the case for individual voter registration, but I am not convinced that the advantages outweigh the disadvantages, particularly if it is implemented in the way the Government plan. Household registration is effectively a census. It is a statement of all those who live in a house and are eligible to vote. Individual registration, without the efforts to secure the registration of every individual being substantially enhanced, is an unambiguous move towards consumer choice. Far from strengthening registration efforts, the Government's plans will weaken them.

Let me share a tale of two constituencies—mine and that of my neighbour, the Deputy Prime Minister. Mine is in the heart of the city, it is multicultural, and it has large council estates, houses in multiple occupation and

[Paul Blomfield]

two universities. Already, 17% of households have nobody on the register. The Deputy Prime Minister's seat consists largely of Sheffield's leafy suburbs and is the only traditionally Conservative seat in south Yorkshire. It has only 4% of households with nobody on the register. Assuming that we both had an average constituency of 74,000 registered voters, the Deputy Prime Minister would represent 77,000 people and I would represent 89,000. If we sank to a level of 60% registration and the boundaries were redrawn, I would represent 123,000 people —nearly twice as many.

Taken with the boundary changes, the effect of this system is clear: in 2015, people in seats such as mine will be substantially under-represented and people in seats such as the Deputy Prime Minister's will be over-represented. That will be exacerbated in 2020. The Deputy Prime Minister has, rather extravagantly, compared his ambitions for our democracy with the Great Reform Act of 1832. However, this is the Great Reform Act in reverse. That Act increased representation in our cities. The drift of the Government's agenda for our democracy will reduce representation in our cities.

I will mention one particular sector of voters, young people, who were also mentioned by my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh). In many households that I canvassed in the lead-up to the general election, it was clear that there were young people on the register who would not have been on it if it had not been for mum and dad putting them there. Because they were on it, they said, after discussion, that they would vote, although not necessarily for me.

One section of young people that has raised its concerns directly with me is students. I understand why the Deputy Prime Minister might not be keen on students voting in quite the same numbers at the next general election as at the last. At the university of Sheffield, there is block registration of all eligible students in university accommodation. That will end with the proposed legislation. One student officer at the university, Harry Horton, made a strong case that he asked me to raise. He pointed out that students often move houses on an annual basis, and sometimes even more regularly. Students also often live in houses in multiple occupancy. When registering to vote, any member of the household can fill in the form on behalf of the whole group and register everyone together. That makes a difficult process much easier and ultimately increases turnout in elections. It is easier to convince one person to do a job than eight.

The same sort of case can be made for all the groups that are likely to lose out as a result of the Government's measures. I do not have the time to go through them. I say simply that if the Government do not think again, it will be no wonder if the legislation is seen by many as gerrymandering—putting party advantage before democratic benefit.

5.54 pm

Andrew Griffiths (Burton) (Con): May I add my plaudits to those of hon. Members who have gone before? I do not wish to play Yoko to the John of the hon. Member for Nottingham North (Mr Allen) in this love-in. However, I congratulate the Minister on the way in which he has brought forward this proposal. As a newly elected Member of Parliament, I think this is exactly the way in which legislation should be introduced and discussed. It should be done in a considered way in order to develop legislation that works for people. The reason we are here is to have legislation that improves the lot of our country.

The Minister has been generous with his time. There has been a huge amount of pre-legislative scrutiny in the Political and Constitutional Reform Committee and he has been incredibly generous in discussing the issues that we have raised with him in a number of grillings. Not only that, he has gone away and thought about the issues and come back to the Committee with changes and amendments. That has helped the work of the Committee. I also pay tribute to our Chairman, the hon. Member for Nottingham North. He has managed to unite a group of MPs with wide-ranging views on this issue in the report. I commend it to all colleagues.

It is interesting that the hon. Member for Vale of Clwyd (Chris Ruane), in the kind of speech that we have become accustomed to expect from him, prayed in aid the Electoral Commission in saying that this policy was a throwback to ancient times and a terrible thing. The reality is that in all the deliberations and discussions of the Committee and among all the people who gave evidence to us, not one person said that they did not believe that individual elector registration was the right thing to do. We should bear that in mind.

I also pay tribute to the right hon. Member for Tooting (Sadiq Khan), who made a considered and conciliatory argument. I appreciated the tone of his speech. The constituents who are avidly watching this debate in Burton and across the country will appreciate that this is an incredibly important issue. It is to our credit that we are conducting this debate in the way that we are.

In the few minutes that I have, I want to talk first about the principle. It cannot be right that in 2012 we are clinging to a patriarchal or matriarchal system in which the head of the household is responsible for whether people are registered to vote in general elections. The hon. Member for Mitcham and Morden (Siobhain McDonagh), who is no longer in her place, talked about the relationship between people and the Government as a contract. She went on to say that the relationship was not between a person and the Government, but between their mum and the Government, because it was their mum who had registered them.

Opposition Members have talked about the increasing number of people who are not registered to vote. I gently point out that it was under 13 years of Labour Administration and under the current system that those numbers increased. I argue that individual voter registration —giving people a connection with, a right to and responsibility for their vote—could, if it is used properly, connect with people at an early age and encourage them to take an interest in whether they should vote.

I urge the Minister to take on board the potential of new technology. I recently registered to change the photograph on my driving licence. The 18 months or so since I had become an MP had taken a toll and I needed to change the picture. The Government gateway was an amazing tool. I went on, registered and gave some basic information, and three days later my new photo driving licence arrived with my photograph and my signature. That kind of technology could be hugely helpful in getting people to register to vote.

One issue is people registering on the electoral register to commit fraud. I point, of course, to the recent report by the Metropolitan Police Service, which analysed 29,000 pieces of information that had been found on forged and counterfeit documents. Forty-five per cent. of the addresses were on the electoral register fraudulently. It is clear that people are using the ease with which one can get on the electoral register to commit fraud.

I urge the Minister to continue to listen. The Political and Constitutional Reform Committee is grateful for his changes to the tick-box system, but we have some concerns about the roll-over in 2014. We ask that he consider the recommendations in our report on the use of specific, targeted resources in areas where there is low registration, to ensure that everybody has the right to vote.

6 pm

Nia Griffith (Llanelli) (Lab): Under the Government's proposals as they stand, people who do not register individually by the end of autumn 2015 will find themselves removed from the register, and therefore ineligible to vote. That will have a particular effect in Wales, because the Welsh Assembly Government elections and all-out council elections will both take place in 2016. What happens in the autumn of 2015 is therefore crucial, and taking liberties with experimentation at that time does not seem the best way forward. However, given that the Government propose that programme, I should like to suggest some ways in which matters could be improved.

It is obviously very important that every effort is made to ensure that individual registration is carried out effectively and does not result in a drop in registration from 90% to 65%, which is what the Electoral Commission has suggested may happen. We are proud of our reputation as a well respected democracy, and we should ensure that our voter registration percentage is as high as possible.

I certainly welcome the use of cross-referencing, with the use of information from the Driver and Vehicle Licensing Agency and Her Majesty's Revenue and Customs, for example, to help identify those who have not registered. However, we need far more than that to make a success of the reform. As the Political and Constitutional Reform Committee has stated:

> "The Government should publish a detailed implementation plan alongside the introduction of legislation"

for individual elector registration, so that electoral registration officers and the Electoral Commission can comment on its feasibility. We need to know what measures the Government will take and what resources they will use to maximise voter registration and ensure that some of the most vulnerable groups in the most deprived areas are not disfranchised.

It seems very confusing that the household will send back the household survey form, and then people will also have to return individual forms. A lot of people will think that they have already registered, and there will be plenty of complaints about both the bureaucracy and cost of the process.

How will the Government maximise registration and prevent a dramatic drop in registration rates? We need both sanctions and incentives. Several Members have mentioned sanctions, and there is no doubt that without a proper sanction, whatever form it might take—my hon. Friend the Member for Vale of Clwyd (Chris Ruane) suggested a fixed penalty system—there will not be sufficient incentive to register to vote.

I am horrified by the proposal to do away with the annual canvass. The Government should be doing precisely the opposite and providing funding for councils to do extra work and a thorough job. Such funding needs to be ring-fenced, particularly in the difficult economic circumstances in which we find ourselves. If the money is not ring-fenced, it will clearly not be used for that purpose. Furthermore, additional funds need to be allocated to councils with a large number of difficult-to-register people, for instance in wards with transient populations or with large numbers of people from groups among whom voter registration is known to be low.

We want to know what plans the Government have to make a success of individual voter registration. The Minister mentioned school visits, but we will need much more than that. Such visits may be a way to encompass 16 to 18-year-olds, but when we talk about young people we can mean those up to the age of 30 or so, many of whom are not registered to vote. We need a raft of awareness-raising measures and a proper, professional advertising campaign. We need to use every single means that there is—the internet, television and so on—and be really determined. It is no good having a half-hearted campaign.

We need people to have a lot of opportunities to register, whether at the supermarket or where they buy their lottery tickets. The Government need to put some thought into where people can register to vote. We need online registration, obviously, but also online advertising. We also need a painstaking door-to-door canvass, because the canvassers will have to return to houses again and again to get all the individual forms. They may meet mum on the doorstep, as my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) said, but mum will say, "Well, I've got to fill in all these forms, and I've got to find so-and-so, and I've got to find his national insurance number." She will have to fill in all the forms, and maybe she will have to ring a couple of her children to find out their NI numbers—I am sure she will remember their dates of birth. The extra process may mean canvassers going back more than once to collect forms. We therefore need the input of an annual canvass.

Councils themselves also need incentives and sanctions to a certain degree. It is very odd, therefore, that there will not be any monitoring of overall registration levels by the Electoral Commission. There is no doubt that such reporting provides councils with an incentive to improve and people with an opportunity to ask electoral registration officers why the registration percentages are not very good in their area. It is very disappointing that that will not take place.

I hope that the Minister will work towards better implementation, getting plans out very early and ensuring that there are sufficient resources; £104 million is only 50p per person, which is hardly the cost of posting a couple of items, never mind people going around and knocking on doors. The matter needs some attention paid to it, and I hope that he will take that on board.

6.5 pm

Mr Stewart Jackson (Peterborough) (Con): This is probably the first Opposition day debate that I have attended in which the Opposition substantially agree with the Government. That is quite strange, but I am not responsible for the Opposition's debate selection.

[Mr Stewart Jackson]

The Minister is a talented, urbane and civilised chap, if I may say so, and he is far too polite to point out the confusion on the Labour Benches. Members will remember that not long ago we heard the comments of the deputy leader of the Labour party at the party conference. With her customary exaggeration and hyperbole, she said that the Government's proposals would

"push people off the electoral register—deny them their vote, deny them their voice. The numbers are going to be huge".

That was palpably nonsense, because that was never the point of the change.

The hon. Member for Vale of Clwyd (Chris Ruane) got to the nub of the issue by showing the Labour party's proprietorial approach towards certain groups of voters—"We know what's best for you. You're our voters, and we think the proposals will unnecessarily affect your exercise of the franchise." That is simply not the case. Today, from some speakers we are hearing politics over principle. It ill behoves them to take that approach, given that when their party was in government it absolutely refused to do anything about the under-registration of military personnel or overseas voters, for example, despite months and years of protestations from Conservative Members. Those are both groups of people who are legitimately entitled to vote in elections. Let us not, in our rush to a consensus, ignore the reality of the 13 years of the Labour Government and their record of under-registration. Hon. Members will know that in 2008 one national newspaper managed to register the name Gus Troobev, an anagram of "bogus voter", on 31 different electoral rolls in one day.

In Peterborough, for reasons that Members may know, we have had a close acquaintance with electoral fraud, and I draw the Minister's attention to the issue of personation. In one ward in Peterborough, we now have four separate CCTV cameras in four polling districts because of the threat of personation. In particular, I draw his attention to the Representation of the People Act 1983 and subsequent legislation, which prescribe the actions that presiding officers can take in polling stations if they fear a case of personation. That does not touch directly on the current change, but it is nevertheless a very important issue, and we have had serious problems with it.

The Minister will know that Operation Hooper, the investigation that took place into postal vote fraud at the June 2004 local elections, took four years to be resolved and resulted in the imprisonment of six individuals, three Labour and three Conservative. It cost Cambridgeshire constabulary a huge amount of money, and the cost to an ordinary voter of electoral fraud is another issue to consider.

If the proposals are some sort of wicked Tory plot, which they are to the hon. Member for Vale of Clwyd, who is rather excitable but passionate, it is a strange plot, because it involves substantial consensus among the academic community, including Dr Toby James of Swansea university, Stuart Wilks-Heeg of Liverpool university, who has been mentioned, and others. The proposals have involved much consultation; flexibility and pragmatism; the data-matching pilots, of which Peterborough city council is one example; transitional arrangements; an exhaustive and detailed Select Committee investigation; and the promise of funding. In addition, the Government have admitted that certain proposals needed to be nuanced, such as the opt-in, opt-out proposals.

Let us remember that in 2008 the Council of Europe stated:

"It does not take an experienced election observer, or election fraudster, to see that the combination of the household registration system without personal identifiers and the postal vote on demand arrangements make the election system in Great Britain very vulnerable to electoral fraud."

At the time of the 2009 legislation, even Peter Facey, of Unlock Democracy, said:

"We still have 19th-century regulations for a 21st-century situation."

It is vital that we have eventually reached a consensus, despite references in the debate to the boundary changes. Those references were erroneous because effectively all that matters in respect of the boundary changes is the electorate on the enumeration date of 1 December 2010. Those changes are irrelevant to the substance of this debate.

There is a consensus on voter registration. It should have been brought about many months if not years ago, but I am glad that Labour Front Benchers have had a damascene conversion and understand that the Government's proposals are about clarity and integrity and, to be fair, the fact that people can choose not to vote, which we must respect. The Government have listened and are going in the right direction, and I look forward to the details of the legislation.

6.11 pm

Nic Dakin (Scunthorpe) (Lab): The fight for the franchise and the struggle for citizens to exercise a democratic voice through the ballot box stretch deep into our history. Before and beyond Magna Carta, there has been a battle to establish a just and fair settlement. From the Chartists and the suffragettes to the lowering of the voting age of 18—there are now arguments for votes at 16—there has been an ongoing struggle to ensure that everyone in this country has an equal voice at the ballot box, whatever their class, gender, age, ethnicity or creed. That struggle continues throughout the world, to the far reaches of the planet. The events of last year's Arab spring remind us—as other events in the world have and will again—how the right to a voice and the right to vote are hard won.

The principle of individual voter registration, therefore, is one that all hon. Members can support; the issue is how the principle is translated into action. The Government suggesting that there should no longer be compulsory registration was a breathtaking departure. I am pleased that the Minister today echoed the Deputy Prime Minister by saying that he is minded to move away from that approach, but if he is so minded, why does he not just say that he is moving away from it and spell out how he will do so?

The removal of any enforcement coupled with a speeded up timetable will result in fewer people registering to vote. According to the Government's impact assessment, the transition to individual voter registration could result in 7 million or 20% of voters disappearing from the register.

Nick Smith (Blaenau Gwent) (Lab): It is good that the Government plan to use HMRC and DVLA data to boost registration, but does my hon. Friend agree that

the private sector could be helpful too? For instance, credit reference agencies, which help people to get mortgages, could help to identify voters for registration who might otherwise be missed?

Nic Dakin: My hon. Friend makes a good point, which I shall touch on later in my speech.

The danger is that younger voters, poorer voters, voters from ethnic minorities and mobile city dwellers are the most likely to fall through the net. The register is used not only for credit referencing but for jury service, local government and other public service finance settlements, and future constituency boundaries. It is important in our civic society, not just for voting. It is therefore crucial to this Government's legitimacy and credibility that a measure as sensitive as individual electoral registration is progressed carefully and in a way that does not disfranchise individuals.

There is cross-party agreement on the principle, but delivery needs to be cross-party and consensual too. Transitional arrangements need to be put in place that will not cause significant upset. For example, voters who currently have postal votes should not be compelled to register for those votes on a tight time scale if they do not immediately move to individual registration. Proper transitional arrangements should be put in place to support people rather than coerce them.

The move to IER should be seen as an opportunity to extend the franchise, not to limit it. Indeed, I think the Minister was taking that line in his opening remarks. Any change to IER should be accompanied by an intensive campaign to ensure that the register is as near complete as possible. Such a campaign will require innovative approaches, such as the automatic addition to the register of people who pay council tax or are council tenants, and those who are in receipt of benefits or who have driving licences. Information from credit referencing agencies could be used, and perhaps students could be registered at the age of 16 by schools and colleges. The Minister helpfully drew attention to best practice in Northern Ireland, which needs to be built on in other parts of the UK. What about the use of election day registration, as happens in an increasing number of US states? The Minister shakes his head, but we are talking about making the register as complete as possible, and the opportunity to vote throughout an election period would significantly widen the franchise at the point of its greatest relevance to citizens. It is therefore worthy of consideration.

My hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh) drew attention in her passionate contribution to the importance of the annual canvass in ensuring that members of the public are properly registered. Jean Basell, a constituent of mine, has done excellent work over many years as a canvasser in north Lincolnshire. She says that without the annual canvass, there will be a significant fall in the number of people registered, and she is somebody with experience of going from door to door in all weathers to lead the canvass.

The Electoral Reform Society was established in 1884. The words of Sir John Lubbock, its founder, should ring in our ears as we contemplate the changes. He said:

> "I trust that Great Britain, the mother of Parliaments, may once more take the lead among the great nations of the world by securing for herself a House of Commons which shall really represent the nation."

We have a duty individually and collectively to move forward in a way that preserves that ambition and integrity.

6.17 pm

David Morris (Morecambe and Lunesdale) (Con): This debate, which is on voting in this country, is one that is naturally at the heart of our democratic process. In the past, electoral fraud was a small, minor problem, and few people worried about it, but in my view that has changed. The prevailing view is now that electoral fraud is much more widespread than it once was. The numbers being investigated and convicted show that we are certainly going downhill at a rate of knots when it comes to accountability.

In the past, the electoral register was accurate, and fraud was not a major problem. Anyone committing fraud would have needed the bravery to appear at least twice, and perhaps even three times, at the polling booth before they were caught. From what we can tell, that did not happen very often. Today, as a result of postal votes on demand, people can vote without ever having to see anyone. That has led to an unknown number of people listing fictitious residents at their properties and voting by post on their behalf.

Siobhain McDonagh: Will the hon. Gentleman explain his source for his last assertion—that large numbers of people are registering multiple times—because his Government's review suggested that there was a negligible amount of such behaviour?

David Morris: I am speaking from personal experience. I have stood in three seaside resorts and have come across situations—including in the 2010 election—in which voters have died six months prior to their votes being cast.

Listing fictitious residents has led to an unknown number of people—

Siobhain McDonagh: Will the hon. Gentleman give way? Presumably he has contacted the police about that.

Mr Deputy Speaker (Mr Nigel Evans): Order.

David Morris: This has led to an unknown number of people listing fictitious residents at their properties and voting by post on their behalf. The vital failsafe in our system—namely, going to the ballot box in person—has been removed. This means we need a new failsafe, and I think that that is agreed on both sides of the House. There are various ways we can do this and I know the last Government saw ID cards as the answer. I do not.

I support fully the proposal to have individual voter registration. It is simple, cheap to administer—unlike ID cards—and fits in with the existing system, because it works on the same principle. Individual voter registration requires very few changes to our system, and we know from Northern Ireland that it works. But in today's debate, some hon. Members have got two different issues muddled up. One is the issue of fraud that IER seeks to address, and the other is how we encourage more people to go to the ballot box. Making fraud easier will undoubtedly boost turnout, but it will not encourage more real people to vote. People do not

[David Morris]

bother to put themselves on the electoral register because they do not feel engaged, and do not want to vote. Similarly, there are millions of people on the register who do not want to vote. We need to make those people feel that their votes count.

It is not surprising that people cannot be bothered when 70% of our laws are edicts from an unelected Government in Brussels. People feel as if they cannot make a difference whichever way they vote, and that is the issue that we need to address. I really believe that repatriation of powers from Brussels, devolving more decisions to local councils and electing more police commissioners will help to engage people in the democratic process, but this has nothing to do with individual voter registration.

Individual voter registration is about reducing fraud and building confidence in the system. Today, once again, we see that electoral fraud and confidence in the system seem to be an entirely secondary considerations. They must be our central considerations, not least because people will have less confidence in the system if they feel they will be outvoted by electoral fraudsters. How many people will bother trudging to the ballot box when they rightly or wrongly believe that their views will be overridden by the fraudsters?

Maintaining the status quo will continue to undermine our system, so we do need to encourage more people to the ballot box, but the way to do this is with greater democracy. We need to stop electoral fraud, and the way to do this is to make people register individually.

6.22 pm

Sheila Gilmore (Edinburgh East) (Lab): I want to address one or two issues that have not yet been fully addressed. Reference has been made to the use of data matching to find out where people are so that letters can be sent to get them to register. It is very important that we assess how effective that is, and I hope that the Minister is minded to bring forward the reports on that at the earliest possible opportunity and that we have access to that information when we debate the proposed Bill.

Data matching will not be easy. It is said glibly, "We will have data matching", but the Select Committee was told that some of the exercises have proved to be a lot more difficult than people anticipated. In Southwark, for example, 25% of Department for Work and Pensions records could not be reconciled with the records held by the local authority. That does not surprise me, especially in a place with a lot of flats and tenements. Addresses in Edinburgh, for example, can be recorded in a number of weird and wonderful ways. Traditional approaches, such as numbering each flat 1, 2, 3 and so on, have been replaced by abbreviations such as PF1, PF2 and so on. Someone might apply for a benefit and put their address as 3/1, but another person might record that address as PF2. Data matching is not, therefore, a magic implement, and we must have the opportunity to assess whether it has worked.

The hon. Member for Peterborough (Mr Jackson) suggested that the issue of the boundaries is irrelevant because the register has been set for the current boundary review. Indeed it has, but the problem will arise in 2015, when the register used for the boundary review will not be the one used in the preceding general election. The Committee has suggested that it would be sensible to use the register as it stands at the general election earlier that year, because it contains the carry-over. That approach would run the least possible risk of our ending up with another set of boundary changes based on a low level of registration. While a low level of registration is not inevitable if we really work at it, the Northern Ireland experience tells us that it is likely to happen at least in the first instance. Whatever happens in the more distant future, I hope that the Government accept that particular recommendation.

Mark Durkan: Northern Ireland has had more frequent and relatively positive mentions in this debate than in any other debate in which no Northern Ireland Member has sought to catch the Speaker's eye. In respect of the snakes and ladders experience that Northern Ireland had with individual electoral registration, I encourage Members to note that registration efforts post-election tended to be especially difficult. The Minister has said that he will rely on a canvass in 2015 after the general election, but registration post-election often means that people assume that because they voted at the election they do not need to register. That is one of the lessons that need to be learned.

Sheila Gilmore: I thank the hon. Gentleman for that intervention, which supports the point that I was trying to make.

I am also concerned about the issue of postal voters. I am not suggesting that the system is perfect because voters already have to overcome certain hurdles. The signature issue clearly causes problems, especially when signatures change, and people's votes have been discounted for that reason, but people—especially older people—have been used to getting a postal vote regularly for some time. I am sure that coalition Members have gone door-knocking and have encountered people who say, "I think I have a postal vote, but I'm not sure." We are usually very reassuring, saying, "Don't worry, it will come." During an election campaign, we might say that they are coming out next week. The problem is that many people in that situation will not appreciate that to get their postal vote they will have to go through the individual registration process. Yes, they will be left on the register, at least until May 2015, but they will lose their postal vote. If they lost their postal vote, many of them will simply not be able to register their vote, and that is a very important point.

Given that we have certain safeguards in place for postal voting, and we are allowing the general carry-over, I do not see it as such a big change to suggest that we carry over the postal voting aspect of people's registration at that stage. As the system beds in, that will probably become less necessary, but at this initial stage there is a great risk that people will discover that they are unable to vote in the next general election—not to mention the boundary issue.

What we really need to do on registration—and no one has done it well enough, although some local authorities are better than others—is to look at imaginative ways to get more people registered. Registration differs so much across cities—even across a ward. I was out door-knocking only yesterday and in one street of terraced houses almost everybody was on the register. Just around

the corner, I found a block of six flats where only two households were registered. The two places are not fantastically different sociologically, but flats tend to have higher turnover, and that is the important difference. If we crack that problem, it will make a tremendous difference, but individual voter registration alone will not do it. In fact, the opposite is true, because it will be difficult to get people in multiply occupied flats to register.

The best electoral registration is where local authorities put a lot of resources into doing it and target, not necessarily everybody—a universal door-knocking exercise is not necessary—but those places where there are known to be deficiencies. We know where they are, and that would build up registration, which should be the priority at the moment. On top of that, I hope that the Government accept the recommendations made by the Select Committee on the proposed Bill.

6.29 pm

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): I am grateful to you, Mr Deputy Speaker, for calling me to speak, particularly because this has been a debate between experts. I am not suggesting that Members are not experts in the subjects of other debates, but we have all won elections so we should know what they are about.

As other Members have said, the tone was set correctly at the beginning of the debate by the shadow Secretary of State and by my hon. Friend the Minister, who engaged in a constructive dialogue on the principle on which we are all agreed of individual voter registration.

I want to take a different approach from other hon. Members, although I support much of what they have said and have listened to the practical comments about the definition of a public duty and so on. I fully understand that, but it must be right in this day and age when we rely so much on democracy and the individual voter casting their own vote in secret that we should expect that that voter takes—and learns—responsibility by registering. I take a certain degree of umbrage at what was said by the hon. Member for Mitcham and Morden (Siobhain McDonagh), although I know where she is coming from. She talked about mums doing the registering, whereas in other cases fathers do it and in others those whom everyone calls the heads of household do it. As an ex-teacher, I would ask how someone learns—

Siobhain McDonagh: Will the hon. Gentleman give way?

Eric Ollerenshaw: I will, if the hon. Lady will let me finish. How will someone learn that voting is important and that it is the responsible thing to do if someone else starts the process and puts them on the register? How will they feel that it is important? I am sure that we have all stood outside polling stations doing important things during elections and have seen that a significant number of people who are registered to vote do not have a clue about what to do, what to tick or cross or where to do it. I take on board the points made by the Minister about Northern Ireland and the education system. Perhaps we should debate on another day what we should do in our education system. As an ex-history teacher I might suggest that part of the problem is the fact that narrative history has gone, which means that many of our children have no idea about the amount of effort that went into getting the right to vote. Where do we start to instil the sense of responsibility? I agree that we should start with registration.

I said I would give way to the hon. Member for Mitcham and Morden.

Siobhain McDonagh: I do not want to affect the time left for others who want to make speeches, but I am happy to have a chat with the hon. Gentleman afterwards.

Eric Ollerenshaw: I am always willing to have a chat afterwards, particularly with the hon. Lady.

My constituency neighbour, my hon. Friend the Member for Morecambe and Lunesdale (David Morris), talked about fraud. I know that Labour Members have said that there are only one or two examples, but I have a suggestion for the Minister. I know that he is a listening Minister, as has been proven by this debate, on certain points. There are higher allegations of fraud in particular areas. There is not a massive amount of proof but, according to the polls, a third of the population believe that there is something dodgy about the way we vote. I commend the Minister for saying that we must try to prove to people that this system is as safe as we can get it and that individuals must therefore be responsible for registering, so that they cannot say that somebody else filled in the form for them. That message is vital. I think that somewhere there are draft proposals that people who act as proxies should by definition be registered voters. I fully support that, but I urge the Minister to go back to the old system for proxies.

With proxies, there has always been the allegation that something dodgy is involved because somebody has someone else's vote. Before 2000, when certain laws were made a little more lax, when someone went to get a proxy they had to have a witness. Once we dropped the witness from those forms, anybody could allege anything because the party worker or candidate could get a proxy off someone and nobody else would know. It was a complicated process and the neighbour was usually the witness, but at least a third party was involved in what was seen as the most tricky element of the system. I urge the Minister to consider reintroducing that.

The issue of fraud was raised with me at the last general election. It did not affect my seat, but, in a certain seat, somebody said that they had gone to vote but somebody had already voted for them, so they came back and rang the different parties in desperation. My party advised them to go along and ask for a tendered ballot. Interestingly, the polling station did not have tendered ballots and some of the polling officers did not even know what one was. I have spoken to a number of people involved in elections who do not know what tendered ballots are and I suggest that we need some education on that. If anyone who believed that someone else had voted for them was automatically given a tendered ballot—I think they are pink, for some reason—those ballots could be stacked up and would provide proof in the polling stations of the level of accusations about fraud in that area.

As I understand it, there is a lack of information for parties, electoral officers in polling stations and the electorate about the ability to ask for a tendered ballot. That is one small practical suggestion that might deal

[Eric Ollerenshaw]

with accusations and counter-accusations of fraud. We could then ask electoral registration officers to add up the number of tendered ballots in various areas, which would give us a better idea of where police investigations were needed and of the extent to which it was believed that fraud was going on. I shall vote against the Opposition motion this evening, because we need as soon as possible to get individual registration and responsibility for the most important act in a democracy—that of voting.

6.35 pm

Mr Russell Brown (Dumfries and Galloway) (Lab): I apologise to the House, the Minister and my right hon. Friend the shadow Secretary of State for not being in the Chamber for the opening speeches. I had made Mr Speaker aware of that.

Today's debate goes to the heart of our democracy, because it is about people going to a polling station and casting their vote. We need to strike a balance between protecting against electoral fraud and not further disfranchising large sections of society from the formal political process. I have three concerns about the Government's proposals: the rapid timetable for change; the erosion of the civic duty to register; and the long-term deterioration in the accuracy of the register.

We have already heard from numerous colleagues the astonishing figures for the number of people missing from registers, generally made up of the most vulnerable in our society. The Electoral Commission has raised serious concerns about the effect of the rapid timetable for the introduction of individual voter registration on the completeness of the electoral register. Its dire warning is that under voluntary individual voter registration, the electoral register could go from its current level of completeness down to as low as 60% or 65%. That would mean an astonishing 10 million plus voters falling off the register. We have seen what happened initially in Northern Ireland.

I fear that social divisions could widen, but that does not need to be the case. Individual voter registration could, without the haste with which the Government are seeking to introduce it, take away that threat. I am concerned that, despite the previous agreement of all political parties that the previous Government's timetable was a sensible approach, the draft legislation proposes to remove the safeguards and simply to bring individual voter registration into force by 2014.

I appreciate that my hon. Friend the Member for Bolton South East (Yasmin Qureshi) wants to make a speech, so let me merely say that the principle of voter registration as a method of preventing electoral fraud and providing proper safeguards is what most of us are looking for, but the Government proposals are unfair and unforgiveable and need to be rethought.

6.38 pm

Yasmin Qureshi (Bolton South East) (Lab): We know that some 5 million people who are eligible to vote have not registered to do so, and the Government's proposed reform will allow another 5 million-odd people to be knocked off the register. These reforms, plus the Parliamentary Voting System and Constituencies Act 2011, are a blatant example of gerrymandering of the type that the former leader of Westminster city council, who is now a fugitive from justice living in Israel and who was knighted for her dishonourable action, carried out on a magnificent scale in Westminster.

Some 10 million people will not be on the register because of a number of the Government's proposals. If the Minister makes the following promises, my party will be able to support him: first, that the signing of the electoral register will not be optional; secondly, that door-to-door canvassing of properties that fail to reply to the electoral register will take place in 2014; thirdly, that postal and proxy voters who do not provide new personal information or send back new forms will be allowed to vote in 2015—as we know, the majority of such voters tend to be elderly—and, fourthly, that anyone who does not fill in the form properly, or who opts out, will be included in the 2015 boundary review.

The Labour party proposed that IER should be introduced in 2020, but only after the Electoral Commission has established the accuracy and comprehensiveness of the register. The Government should not abolish the Electoral Commission's role, and the changes should not go live in 2015. The current proposal will reduce the numbers on the electoral register to as little as 65% of the population. That is the prediction of the independent Electoral Commission. As a result, millions of people will be disfranchised.

Those who will lose the ability to vote are likely to be the young, those from black and ethnic minority backgrounds, the disabled and those in social and private rented accommodation. This is a partisan move, and if the Government have their way, for the first time in its history the electoral register will become unrepresentative of the population as a whole. It is imperative that people beyond Parliament recognise just how insidious these proposals are: never before has the very fabric of our democracy been at risk. Every democrat has a duty to defend it.

6.41 pm

Mr Wayne David (Caerphilly) (Lab): Today's debate has been a good one, with contributions from about 20 Members, and no one has spoken against the principle of individual electoral registration. Some Members are entirely happy with the Government's proposals—I am thinking of the hon. Members for Peterborough (Mr Jackson) and for Burton (Andrew Griffiths)—but a number of Members on both sides of the House have expressed reservations. They include my hon. Friends the Members for Vale of Clwyd (Chris Ruane) and for Llanelli (Nia Griffith), the hon. Member for Ceredigion (Mr Williams) and my hon. Friend the Member for Mitcham and Morden (Siobhain McDonagh), among many others.

Significantly, Members' concerns are reflected in the opinions of many others outside the House who share our belief in the importance of representative democracy. The Electoral Commission, in particular, has made trenchant but very constructive criticisms, and the worries that Members have expressed today are increasingly expressed by those who recognise that the devil is in the detail of the Government's proposals. As Members have said, we are discussing a huge change to our voting system. This is an issue that deserves to be understood and widely debated the length and breadth of our country. It is far too important to be the preserve of academics and political anoraks.

The Opposition believe that there is a very strong case for individual electoral registration in principle: it can reduce electoral fraud and is in tune with the modern structure of today's families. Indeed, the previous Labour Government,'s proposals for the introduction of IER commanded a cross-party consensus. Unfortunately, the Government have ended any idea of a bipartisan approach towards constitutional reform, and their plans for IER have placed a question mark over the future integrity of the electoral register.

In the Government's IER White Paper, electoral registration is seen no longer as an individual's civic duty but as

"a matter of choice for the individual".

At present, if the head of a household fails to co-operate with an electoral registration officer and does not return a completed electoral registration form, they can be fined £1,000. The Government say that that will remain—indeed it will—but crucially the obligation will not apply to individuals, yet this is all about individual electoral registration. Instead, individuals will now be invited to join the electoral register if they are so inclined.

We can easily visualise an ERO—if, indeed, there are EROs in the future—knocking on the door of someone's home. A busy young mum comes to the door in the middle of making her children's tea. The registration officer asks that young mum if she would like to fill in a form to be on the electoral register by writing down her date of birth and national insurance number. The busy mum explains that she is in the middle of making the kids' tea and asks the ERO whether she really has to fill in the form. The ERO says, "No, it's a matter of personal choice." The predictable reply is, "Fine, in that case I won't bother. I have to make the kids' tea. Goodbye."

Come the general election, that young mum believes that she has an opportunity to shape the country that her children are growing up in. She wants her children to have the best possible education and to have jobs when they grow up, and she wants her family to live in a safe community. She has taken the trouble to read all the parties' manifestos and she has given careful thought to how she is going to cast her vote. She then goes along to her polling station on election day, but when she gets there she is told that she cannot vote because she is not on the electoral register.

Our fear is that millions of young mums will be excluded from the democratic process because they are not on the electoral register. All the evidence suggests that the young, the disabled, members of the black and ethnic minority communities, those who frequently move and people living in private rented and public housing will be the people most likely not to be on the electoral register under the Government's proposals. These are the people who are threatened with disfranchisement.

The impartial Electoral Commission has predicted that if the Government do not change their plans, in some areas the number of people on the electoral register could be as low as 60% of the population. The number of people on the electoral register also determines the shape and size of our parliamentary constituencies. Members do not need reminding that we are going through a parliamentary boundary review. In 2015, there will be another boundary review, and if the electorate has been significantly reduced in certain areas, we will see further boundary changes that will have a big impact on inner-city and less prosperous areas of the country.

The electoral register is a foundation on which our representative democracy is built, so it is wrong that it is being put in danger by these proposals, but, as Members have highlighted, it is important for other reasons too, and I will refer briefly to two. First, credit rating agencies regularly refer to the electoral register when deciding whether to provide a loan or mortgage to an individual or family. If someone is not on the electoral register, their chances of securing a loan are diminished. Secondly, in our legal system, juries are drawn from the electoral register. If our electoral register comprises a disproportionately large number of white, middle-aged, elderly and middle-class people, the likelihood is that our juries will reflect that. At a time when it is so important that we build trust in our criminal justice system and the rule of law, it is imperative that we have juries in which people can have faith and confidence.

I welcome the Government's confirmation that they intend to drop their permanent opt-out option—that is one less drop of venom—but we will look carefully at what the Government actually propose in their Bill, and I have to say that they will need to make many more changes before their plans are acceptable. Before they publish their IER Bill, I urge them to stop and listen to the many informed voices now urging them to change their proposals. In particular, I urge them to heed the advice of the Electoral Commission, which has argued that there should be a full household canvass in 2014. It is right about that.

At the same time, the Government should use the opportunity to explain to electors that the system is changing and publish a detailed implementation plan when they introduce their primary legislation. Moreover, they should ensure that a consistent electoral service is provided to all parts of the country and that sufficient resources are provided to guarantee that as many people as possible are on the electoral register.

The Political and Constitutional Reform Committee has produced an excellent report on IER. I congratulate the Committee on its work and its Chairman, my hon. Friend the Member for Nottingham North (Mr Allen), on his first-rate speech this evening. I now urge the Government to act upon the Committee's eminently sensible proposals, and I would like to refer to one of those proposals in particular. As well as broadly supporting the Electoral Commission's views, the Committee has recommended that the Government allow postal and proxy voting to be carried forward to the 2015 general election. I think that makes sense, and I look forward to hearing the Minister's response.

Finally, above all else I urge the Government to recognise that being on the electoral register is a civic duty and not a lifestyle choice. Surely every Member in this House believes that our parliamentary democracy needs the active participation of the people of this country in the democratic process. Surely we should do all we can to have as many people as possible on the electoral register. The essential point is that people can choose whether or not to exercise their right to vote only if they are on the electoral register. I therefore urge the Government to listen to the genuine voices of concern and ensure that their Bill reinforces our democracy, rather than undermine it.

6.50 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): I, too, welcome the opportunity to have today's debate and, generally, the tone of the debate. I am grateful to the right hon. Member for Tooting (Sadiq Khan) and the hon. Member for Caerphilly (Mr David)—I think: he was a bit recidivist in places—for, generally speaking, the way they approached the issue.

I am particularly grateful to the hon. Member for Nottingham North (Mr Allen), the Chair of the Political and Constitutional Reform Committee, for his comments. As he set out, what has happened in this case is, to some extent, the model of how we ought to approach legislation, where the Government put forward their proposals, ask for detailed consideration, ask experts and those in the House with a particular interest to make their comments, and then respond, positively wherever possible, to those suggestions. That seems to me to be the iterative process that we have followed in this instance. Indeed, the hon. Gentleman was supported in that view by other members of his Committee, such as the hon. Members for Burton (Andrew Griffiths) and for Edinburgh East (Sheila Gilmore).

Let me deal with one issue that the hon. Member for Nottingham North raised. The Government will very soon issue a detailed response to the points raised by his Committee. The Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean (Mr Harper), who has responsibility for constitutional reform, has agreed to look again at whether there is any way of improving the proposal for the 2014 canvass, noting that the Electoral Commission has suggested moving the 2013 canvass to early 2014. Again, that is a recommendation that he will consider carefully.

The hon. Member for Edinburgh East, asked how the effectiveness of data matching will be assessed. That I absolutely agree that the information should be brought forward for the benefit of the House when it considers the proposals in detail, which will include not only the Government's assessment, but the Electoral Commission's assessment, which it is preparing.

My hon. Friend the Member for Ceredigion (Mr Williams) made one of the most important points in this debate when he said that the choice is not between integrity and completeness. That is absolutely right: we need both. Indeed, that is where the Government have continually placed the emphasis in this matter. It is right that we should move to a system of individual registration. Our current system is outdated and far too vulnerable to electoral fraud—the point raised by the hon. Members for Hendon (Mr Offord), for Peterborough (Mr Jackson), for Morecambe and Lunesdale (David Morris) and for Lancaster and Fleetwood (Eric Ollerenshaw).

The hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) talked about international election observation missions. I have been on many such missions in other countries—indeed, I have led them—and have consistently found it embarrassing to point out that we have none of the safeguards that we insist upon for other countries to keep our system free from fraud. There is a genuine threat to what we have in this country. I am therefore grateful that there is, or appears to be, general support for the move to individual registration. I accept that concerns have been raised about the detail of some of the proposals—many hon. Members have touched on those points—but the encouraging tone of this debate and the general agreement on the value of individual electoral registration are to be welcomed.

The message obviously did not quite get through to some colleagues on the Opposition Benches—whether their text messaging went awry, I do not know. Clearly the hon. Members for Vale of Clwyd (Chris Ruane)—whose speech I have heard many times now—for Mitcham and Morden (Siobhain McDonagh), for Carmarthen East and Dinefwr and for Sheffield Central (Paul Blomfield) do not entirely accept that principle. So be it. They are entitled to disagree with the manifesto on which they stood, if they wish.

Let me address some of the other points that were raised. The hon. Member for Bexleyheath and Crayford (Mr Evennett) said that some councils do a much better job of electoral registration than others. Perhaps we ought to look more at why some councils fail in that task, whereas others do not. He thinks that there are insufficient checks on personation, which that my hon. Friend the Parliamentary Secretary is looking at.

My hon. Friend the Member for Ceredigion talked about the position in areas with lots of students and people in houses in multiple occupation. It is interesting that the research shows that the biggest determinant of incompleteness in the register is actually length of residence. The completeness rate is only 26% among those who have been resident for less than a year, compared with 91% among those who have lived in their properties for over five years. That is where we need to concentrate our efforts.

My hon. Friend the Member for North Cornwall (Dan Rogerson) talked about second home owners. The important thing in this instance is that electoral registration officers should actually apply the law. Very often the problem is not that the law is incomplete, but that people do not apply the law as it stands.

One point that has been raised repeatedly is about the civic duty to vote. Let us be absolutely clear: the Government believe that there is a civic duty to vote, and there is no change—*[Interruption.]* I do apologise: to register, rather. Let us be clear: the Government believe that there is a civic duty to register—in fact, there is a civic duty to vote as well, but the point today is about the civic duty to register. It is because we have listened to the points that have been made that, as my hon. Friend the Parliamentary Secretary repeated, we are thinking again about the so-called opt-out provision, which the hon. Member for Sheffield Central described as back-pedalling. It is not back-pedalling to put forward a proposition, listen to the response and then adapt proposals to meet those responses. We will never have a grown-up Parliament if we cannot do that without people criticising the process.

The hon. Member for Scunthorpe is normally very moderate in the way he presents his case to the House, but I am afraid that today he was a little edgy on this issue. He simultaneously said that we should learn from Northern Ireland, where there is no canvass, and then talked about the crucial importance of the canvass—a slight inconsistency. Of course we must learn the lessons from Northern Ireland, because there are important lessons to be learned. Indeed, the hon. Member for

Foyle (Mark Durkan) raised one of them in an intervention, when he talked about the canvass immediately after an election.

The overall position of right hon. and hon. Members who have contributed to today's debate is that they want individual electoral registration, but not at the expense of the completeness of the register. We understand that, which is why we are determined to do everything we can not only to maintain the register's completeness, but to go further and ensure that we reach those parts that have not been reached before. That is why my hon. Friend the Parliamentary Secretary is working overtime to look at ways to address that issue and ensure that councils that are perhaps not as assiduous or competent in reaching the electors in their areas are encouraged to do so.

We must be careful when we talk about this issue not only to avoid plucking figures from the air or assuming that we can quote any old figure and it will be believed, but so as not to be as patronising as I felt some contributions today were to some of our electorate, by assuming that young people simply will not register if their mums do not tell them to do so. That has not my experience when talking to young people in our schools and colleges, and it has not been the experience of the Parliamentary Secretary, Cabinet Office, my hon. Friend the Member for Forest of Dean in Northern Ireland, where this system is already in place and where there is a higher level of registration among young people attaining the age at which they can register than there is in Great Britain.

I am optimistic that we can get this right. We must continue to listen, and to bring forward our proposals. I hope that the legislation will go ahead and be successfully implemented, and that we will then continue to monitor it to see whether it is effective. That is what the hon. Member for Nottingham North was talking about, and that is the way in which the process ought to work, particularly in areas as crucial as voter registration and the electoral system in this country. I ask hon. Members to reject the motion before us today, but I ask them, as my hon. Friend the Minister did, to do so in the right spirit, and to take a constructive view of how we can move forward together to get this right.

Question put.

The House divided: Ayes 234, Noes 321.

Division No. 422] **[7 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
David, Mr Wayne
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Hosie, Stewart
Howarth, rh Mr George
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lavery, Ian
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Llwyd, rh Mr Elfyn
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McDonagh, Siobhain
McFadden, rh Mr Pat
McGovern, Jim
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi

Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Dame Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Straw, rh Mr Jack
Stringer, Graham
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Walley, Joan
Watts, Mr Dave
Whiteford, Dr Eilidh
Whitehead, Dr Alan
Williams, Hywel
Williamson, Chris
Winnick, Mr David
Winterton, rh Ms Rosie
Wishart, Pete
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Tom Blenkinsop and Phil Wilson

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Brine, Steve
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, rh Mr Simon
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Sir Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Harvey, Nick
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCrea, Dr William
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew

Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Sir Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simpson, David
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, rh Nicholas
Soubry, Anna
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swales, Ian
Swayne, rh Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, rh Sir Peter
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Jeremy
Wright, Simon
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Greg Hands and Mark Hunter

Question accordingly negatived.

NHS (Private Sector)

7.17 pm

Andy Burnham (Leigh) (Lab): I beg to move,

That this House believes there is an important role for the private sector in supporting the delivery of NHS care; welcomes the contribution made by private providers to the delivery of the historic 18-week maximum wait for NHS patients; recognises a need, however, for agreed limits on private sector involvement in the NHS; notes with concern the Government's plans to open up the NHS as a regulated market, increasing private sector involvement in both commissioning and provision of NHS services; urges the Government to revisit its plans, learning from the recent problems with PIP implants and the private cosmetic surgery industry; believes its plan for a 49 per cent. private income cap for Foundation Trusts, in the context of the hospitals as autonomous business units and a 'no bail-outs' culture, signals a fundamental departure from established practice in NHS hospitals; fears that the Government's plans will lead to longer waiting times, will increase health inequalities and risk putting profits before patients; is concerned that this House has not been given an opportunity to consider such a significant policy change; and calls on the Government to revise significantly downwards its proposed cap on the level of private income that can be generated by NHS hospitals.

It is a year this week since the Health and Social Care Bill was introduced in this House. Unlike the Government, we wanted to mark the anniversary, and having this Opposition debate seemed the right way to do it. It is being held because the Government have effectively sidelined this elected House from the debate about the future of the national health service. No single issue matters more to the people who put us all here, but what the future holds for the hospitals in our constituencies is no longer up to us. Instead, it is the unelected House that is right now carving up England's NHS through back-room coalition deals. Ministers are making a series of desperate concessions in the other place to try to preserve the pitiful levels of support that remain for this unwanted and unnecessary Bill.

For the avoidance of doubt, let me summarise this scandalous situation. Here we have a Bill that nobody voted for. It was not in either the Tory or the Lib Dem manifestos, and it was ruled out specifically by the coalition agreement, yet it was rammed through this elected House so that the real decisions could be taken down the corridor in the unelected House. It is truly an affront to democracy that our nation's most valued institution should be treated in this way. It thus falls to the Opposition to let this House take a view this evening on the far-reaching amendments to the Bill that are now being tabled, which Ministers were clearly too scared to table in this House.

Mr John Redwood (Wokingham) (Con): As we are debating the role of the private sector in health, does the right hon. Gentleman agree with the former Labour Health Secretary who said "PFI or bust", and should he not have said "PFI and bust" given the way Labour ran PFI?

Andy Burnham: No, I would not agree. I shall explain the policy that our Government adopted on the private sector and how different it was from that of the Government whom the right hon. Gentleman supports. In making our argument we will expose the terrifying gap between the Prime Minister's rhetoric on the NHS and what he is doing in reality. People will recall the efforts that went into rebranding the nasty party. The Conservatives were

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at great pains to tell us that they would be pro-environment, a bit less tough on crime and pro-NHS going forward. Many photo calls were arranged to send those messages to the public, but it was poor old NHS staff who featured far more than huskies or hoodies in being brought in to promote hastily made political promises. We were told there would be real-terms increases for the NHS, a moratorium on accident and emergency department closures, thousands more midwives and, famously, no top-down reorganisation—four promises made in opposition: four promises broken in government. I still have not worked out how a Prime Minister can go from agreeing there should be no top-down reorganisation with his coalition partners after the election to bringing forward just weeks later the biggest top-down reorganisation ever in the history of the NHS. How does that work? Perhaps Lib Dem Members will enlighten us this evening.

Our evasive Prime Minister is the master of making statements that sound good at the time only to turn out to be meaningless in practice. Tonight we will focus on his most outrageous yet. On Monday 16 May last year, under pressure to reassure people about the Health and Social Care Bill and in the middle of the enforced pause, the Prime Minister said, in a speech:

"That's why, when I think about what our NHS will look like in five years time, I don't picture some space-age institution, a million miles away from what we have now. Let me make clear: there will be no privatisation".

Those were his words—"no privatisation".

The Minister of State, Department of Health (Mr Simon Burns) *indicated assent.*

Andy Burnham: The Minister of State says that is right, and he is free at any point to get up and challenge what I say or to prove how he can make that statement. I will give him the opportunity to do so soon.

The Prime Minister could not have been clearer—"no privatisation". Similar statements were made during the pause by the Deputy Prime Minister. On the Marr programme on 8 May, he promised that safeguards would be brought forward in the health Bill. He said:

"What you will see in this legislation are clear guarantees that you are not going to have back-door privatisation of the NHS."

He followed that up on 14 June with this promise:

"Patients, doctors and nurses have spoken. We have listened. Now we are improving our plans for the NHS. Yes to patient choice. No to privatisation. Yes to giving nurses, hospital doctors and family doctors more say in your care. No to the free market dogma that can fragment the NHS."

Those statements from the Prime Minister and the Deputy Prime Minister were significant for two reasons. First, they revealed an understanding at the top of Government about how, more than anything else, fears about privatisation and the market in the NHS were driving professional disquiet about the Health and Social Care Bill—a Bill that was sold as putting doctors in charge but that had a hidden agenda of breaking up the structures of the national planned health system to allow a free market in health. Secondly, they implied that major changes to address those concerns would be made to the Bill and that there would be a return to the existing policy of the managed use of the private sector within a planned and publicly accountable health system.

Let me be clear. As our motion states, we believe that there is a role for the private sector in helping the NHS to deliver the best possible services to NHS patients, and that was the policy we pursued in government. Without the contribution of private providers, we would never have delivered NHS waiting lists and times at historically low levels, but let us put this in its proper context. Our policy was to use the private sector at the margins to support the public NHS. So, in 2009-10, 2.14% of all operations carried out in the NHS were carried out in the independent sector and spend in the private sector accounted for 7.4% of the total NHS budget. I would defend those figures, because that helped us to deliver the best health care to the people of this country.

Furthermore, we supported a system allowing foundation trusts to generate income at the margins of their activity from treating private patients but with a clearly defined cap to protect the interests of NHS patients at all times.

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): Does the right hon. Gentleman accept that the cap was not clearly defined but was very variable according to the hospital, and will he now say that it was wrong for the previous Government to set the cap at over 30% for the Royal Marsden hospital, which is a centre of excellence?

Andy Burnham: I agree that the cap varied according to historical levels of private sector activity within the different trusts. The hon. Gentleman is absolutely right about that, but he must agree that it was clearly defined in respect of every individual NHS hospital. They had a clear number and local people were able to hold them to account for that number. Where hospitals had large numbers, the cap froze their level of activity at the level when the cap was introduced.

Mr Stephen Dorrell (Charnwood) (Con): Just to be clear, could the right hon. Gentleman explain why it is in the interests of NHS patients in a particular hospital for that hospital's capacity to generate additional revenue from the private sector to be limited by a cap?

Andy Burnham: I will explain that very clearly. I am sure the right hon. Gentleman will have read the impact assessment to the Bill, which warns of the risk of lengthening NHS waiting lists if existing capacity is made available to private patients. It says that if additional capacity is provided, there might be no effect on NHS waiting lists. That is why this is dangerous, because all the progress that Labour made on reducing long NHS waits would be put at risk by the careless and cavalier policy of simply abandoning the principle of the cap, which has stood us in good stead.

Mr Dorrell *rose—*

Mr Simon Burns *rose—*

Andy Burnham: I shall give way to the Chairman of the Select Committee on Health once more and then to the Minister.

Mr Dorrell: I apologise to my right hon. Friend on the Front Bench. Could the right hon. Gentleman explain more clearly than he has so far why a hospital should reduce capacity at the same time as it is increasing revenue?

Andy Burnham: That is not what I said. I understand that the preferred policy was to have no caps or limits, but even if a generous and liberal cap was introduced there would be a major risk that hospitals under financial pressure would give beds, theatre time and appointments to private patients, enabling them to jump the queue and giving a much worse deal to NHS patients. That is the risk that the cap was designed to mitigate and that is why we support it.

Mr Simon Burns: Could the right hon. Gentleman explain the logic, under his Government, of having a cap on a minority of trusts—foundation trusts—while he as the Secretary of State and his Government did not impose a cap on the majority of trusts that were not foundation trusts?

Andy Burnham: There is a simple explanation. The right hon. Gentleman will remember, as I do, the debate on the foundation trust legislation. There were worries that if hospitals were made more independent and were not directly managed by the Department they would put the treatment of private patients before that of NHS patients. The cap was introduced to mitigate that risk. He will know that we had a policy that all trusts should become foundation trusts in time—a policy that his Government have adopted—so that the cap would apply to all NHS hospitals in time. I think that answers his question.

Mr Burns: If that is the case, rather than that it being forced on the Labour party by a rebellion of Back-Bench MPs in 2002, why did the right hon. Gentleman's election manifesto in 2010 say that Labour would remove the cap?

Andy Burnham: It did not, and I would expect a Minister not to make misleading statements like that in a debate of this kind. It did not propose the removal of the cap: it said that more freedom would be given to NHS hospitals with a modest loosening of the cap. That was my policy as Health Secretary. We did not propose removal of the private patient cap.

Rosie Cooper (West Lancashire) (Lab): Does my right hon. Friend know whether the private operations will be charged at tariff? Is there a limit on the charge hospitals can make? Will it be at tariff or at a premium on tariff? Would that not be a way of increasing the amount of resources coming in? Less work would be done on the NHS.

Andy Burnham: My hon. Friend raises an important issue. We have not had those safeguards; there has been no explanation from the Government of any safeguards that will be introduced under this liberal measure. This evening, we need to probe exactly what they have in mind. During the pause, they said that they would restrict any competition on price in the NHS, yet they are bringing forward a measure that would allow NHS facilities to be used for the treatment of private patients with no guarantee that the private sector would not try to undercut NHS tariffs. Those are precisely the questions that the Government have to answer.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): Does my right hon. Friend agree that the fundamental change in the Bill is that the Government are imposing a new form, Monitor, which directly applies competition regulation in NHS delivery of services and undermines the principles and rules for co-operation and competition—PRCC—that arbitrate between commercial services and the NHS, which controlled the market?

Andy Burnham: That is exactly the point. The proposal has to be seen in the context of the health system the coalition Government want to create. They want a broken-down system where one hospital is pitted against another, where there is a duty on the Secretary of State to promote the autonomy of NHS organisations, so that they are out there on their own, having to stand or fall on their merits, with a clear incentive to drive up income gained through a relaxed private patient income cap. I shall come to that point in a moment.

Grahame M. Morris (Easington) (Lab): Ministers are shouting, "Choice", but is my right hon. Friend prepared to reflect on the merits of the private sector, both in the UK and abroad, in the efficiency of the service that it delivers?

Andy Burnham: When the Bill was introduced, great claims were made that it would improve NHS efficiency. That was one of the reasons the Government gave for subjecting the NHS to a huge top-down reorganisation; they wanted to make the system more efficient, but they made a mistake that many people make over time. They claimed that the NHS is inherently inefficient when in fact international evidence shows the exact opposite: the NHS model is the most efficient health care system in the world. That is because control of the system is democratically accountable, and national standards can be set through bodies such as the National Institute for Health and Clinical Excellence and entitlements can be set at national level. If that control is removed, we will see the emergence of a much less efficient health care system, like the many market-based systems.

Charlie Elphicke (Dover) (Con): The motion

"notes with concern the Government's plans...increasing private sector involvement in...commissioning and provision of NHS services."

In Dover, our hospital was run down over the 13 years until 2010 and is now a shell. Why should the GPs not be able to commission another provider if the foundation trust will not fulfil its long-standing pledge to build a hospital and provide proper services for my constituents?

Andy Burnham: My argument would be that if those decisions are to be made, the people who make them should be accountable to the hon. Gentleman and the House, whereas the Bill that his right hon. Friend the Secretary of State is introducing proposes to push those things away. There will be an independent commissioning board that GPs and clinical commissioning groups will not be able to overturn; it will make the decisions. That is a completely unacceptable state of affairs.

Before the last election, we proposed a modest loosening of the private patient cap in response to pressure in another place when we were debating the Health Act 2009, but compared with our modest reforms, the Government's plans are off the scale. Instead of private sector activity at the margins, the Health and Social Care Bill places

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market forces at the heart of the system. The private sector will not support the NHS, but will replace large chunks of the service in commissioning and provision.

Chris Skidmore (Kingswood) (Con): I should be interested to learn—as I am sure would the whole House—the right hon. Gentleman's definition of modest loosening. In the four years between 2006 and 2010, the amount of money going to the private sector rose from £2 billion to about £12.2 billion. Does the right hon. Gentleman simply oppose the 49% cap or will he pledge to reverse it if he returns to government? What exactly would the cap be? Would it be 30% or 12%? Please let us know.

Andy Burnham: May I refer the hon. Gentleman to the motion? Its request to the Government is not unreasonable; it asks them "to revise significantly downwards" the cap they have proposed.

The Secretary of State for Health (Mr Andrew Lansley): To what?

Andy Burnham: I remind the Health Secretary that he is the Secretary of State, not me. It is for him to bring forward proposals. Forty-nine per cent: in that proposal he is saying that NHS hospitals can give equal priority to the treatment of private patients—that it can be as legitimate an objective for an NHS facility, paid for by the taxpayers, to be used equally for the treatment of private and NHS patients. I put it to the hon. Member for Kingswood (Chris Skidmore) that I am not prepared to accept a cap on that scale. It could lead to an explosion of private sector work in NHS facilities and I do not think that is in the best interests of NHS patients. I would be prepared to accept the Government's bringing forward proposals that fulfilled a modest loosening of the cap, to give the NHS more freedom at this difficult time, but I am talking in single figures. I am not talking about a doubt-digit, 50% cap—a recommendation that hospitals devote half their resources to private patients.

Mr Simon Burns: Will the shadow Secretary of State kindly answer the questions put by my right hon. and hon. Friends about what modest means? *[Interruption.]* If I might read it out, the 2010 Labour manifesto says:

"Foundation Trusts will be given the freedom to expand their provision into primary and community care, and to increase their private services—where these are consistent with NHS values, and provided they generate surpluses that are invested directly into the NHS."

There was no mention of a modest increase; it was open-ended.

Andy Burnham: The Minister is not listening. I answered his question. I proposed a small increase in the cap—in single figures; a couple of per cent, as I am on record saying at the time, to give NHS hospitals more freedom to generate more income, to be put back into improving standards for NHS patients. Can the Minister honestly look me in the eye and tell me that 49% is not a world away from the NHS that he inherited from our Government?

Mr David Anderson (Blaydon) (Lab): The manifesto that we put together in 2010 did not envisage a health service where the Health Secretary had given up control. It envisaged a health service where the Health Secretary would still have control and could set a cap for foundation trusts.

Andy Burnham: That is absolutely the point. The Government want to create an NHS where Ministers can no longer say what can or cannot be done, so we have GP practices, such as Haxby in York, sending letters to their patients saying, "We have decided that we are not going to fund your minor operations any more, but by the way, we are now providing those operations. Here's our price list." That is absolutely disgraceful, but it is a glimpse of the NHS that will emerge if the Health and Social Care Bill goes through. My hon. Friend is absolutely right: we must consider the wider context, within a system with competition at its heart and where every hospital is on its own and they are fighting each other. That is the context in which this 49% proposal needs to be considered. It represents a break with 63 years of NHS history and a "genie out of the bottle" moment. That is why we ask the House to reject it.

Tom Blenkinsop: My right hon. Friend is making a strong point. The Minister says that the cap was flexible during our term, but that was under principles and rules for co-operation and competition rulings. That meant that the servicing out of the contract was based on care quality. Unfortunately, the Bill does not have any area dealing with quality of care; it is purely about price. It is about allowing Monitor to apply the pure regulatory format of the Competition Commission as it exists in other utility markets.

Andy Burnham: My hon. Friend anticipates me. I shall come to precisely that point in a moment, and it will backs up his point that the Bill is akin to the privatisations of the 1980s.

Anna Soubry (Broxtowe) (Con): What?

Andy Burnham: Just hang on and listen. Nothing has been done to the Bill to bring together the Prime Minister's and Deputy Prime Minister's promises that there would be no privatisation. There has been no substantial change since the pause.

Let me come directly to whether the Bill represents a privatisation of the kind that we saw in the 1980s. In doing so, I shall refer to a report from the King's Fund, which I recommend to the hon. Lady. The Government have failed to introduce measures that they promised, months after the pause, so it is still considered appropriate for a body as respected as the King's Fund to make a fairly shocking comparison that, indeed, the Bill is similar to the privatisations of the Thatcher Government. The report says:

"The Government's proposals draw heavily on the regulatory framework developed in telecoms and utilities regulators ...Interestingly, Secretary of State for Health Andrew Lansley's own ideas for the reform of the NHS, developed while in opposition, were born out of his experience of the privatisation and regulation of utilities in the mid-1980s when he was Principal Private Secretary to Norman Tebbit."

There we—*[Interruption.]* Okay, there we have it. That is the view of the King's Fund—this is a privatisation along the lines of those we saw in the 1980s.

To back up that point, the King's Fund quotes from a speech that the Secretary of State gave in 2005 to the NHS Confederation. He said this of the 1980s privatisations:

"The combination of the introduction of competition with a strong independent regulator delivered immense consumer value and economic benefits."

There are two problems with that statement. First, there are real questions about whether gas, electricity, water and rail customers feel that they have had immense value. Secondly, it is troubling that the Secretary of State for Health, of all people, considers the delivery of health care directly comparable to telecoms and utilities.

Henry Smith (Crawley) (Con): Does the right hon. Gentleman recall saying in 2007 that he celebrated the role of the private sector in the NHS?

Andy Burnham: This is getting a little tedious. May I refer the hon. Gentleman to the motion, which indeed does the very same thing? It recognises the fact that there is

"an important role for the private sector"

in the delivery of good NHS care and celebrates the role that it played in helping us to deliver the lowest ever NHS waiting times. Before intervening in future debates, he might like to read the motion that the House is considering.

Let me quote the Secretary of State's interesting 2005 speech to the NHS Confederation, which set out the essential ingredients that we now see in his Health and Social Care Bill. His plan was to

"maximise competition, transfer risk to the private sector…appoint a strong, pro-competitive regulator…set out clearly the standards which have to be met and how operators will be held accountable for them…be clear about how and by whom universal service obligations are to be met…ensure high quality information for customers"

and have

"more customers rather than fewer."

That is, do not have a few monopolistic health authority purchasers. The Secretary of State is nodding in assent that that is, essentially, his Health and Social Care Bill. This is, of course, the basic framework that the House of Lords is considering, despite the Deputy Prime Minister's claim to have rejected

"the free market dogma that can fragment the NHS."

A phrase leaps out of that 2005 speech that, in the light of recent events, needs to be challenged. It is

"transfer risk to the private sector".

While acceptable in theory, I wonder whether recent experience with the private cosmetic surgery industry has led the Secretary of State to reconsider whether and how, in the health context, that can be delivered in practice. In an NHS based on commercial contracts, would there not always be arguments about legal liability when things went wrong? Would it not be much harder to control quality and costs in such a way, rather than through the current planned and managed NHS system that we have?

Mr Redwood: On the point about implants, why did the NHS under Labour buy the same difficult implants that the private sector bought?

Andy Burnham: The point that I am making is about how to manage the system, how to ensure proper regulation and how to ensure that NHS providers and the system work in the interests of NHS patients. If the right hon. Gentleman is arguing that there would be the same control managing the system through a series of fragmented commercial contracts, I would be interested to have that debate with him. Frankly, I do not believe that he is being serious, if that is his point.

Lyn Brown (West Ham) (Lab): I have been contacted by constituents who access their cancer and cardiac care from Barts and from the London hospital. They fear that as a result of the Bill their health needs will be deprioritised in favour of private patients who can afford to pay. What would my right hon. Friend say to my constituents about their fears?

Andy Burnham: I wish I could allay the fears of those people, but when there is a proposal placed at the heart of the NHS for hospitals to devote half their facilities—their beds, their appointments—to private patients, how is it possible to give that guarantee to those patients, particularly when the Government are relaxing the waiting time standards that we did so much to establish in the NHS, with the two-week wait for cancer referrals and 18 weeks for elective operations, and a four-hour wait in A and E? How can we have that confidence when, effectively, the Government are taking those safeguards off the public and giving the green light for a massive expansion of private sector treatment in NHS hospitals?

Kate Green (Stretford and Urmston) (Lab): Does my right hon. Friend have any answer to the question whether private providers with obligations to their shareholders will inevitably face a conflict if risk is offloaded to them when their responsibility to their shareholders is naturally to ensure the best possible financial outcome for them?

Andy Burnham: My hon. Friend is absolutely right: this proposal brings that conflict right to the heart of the NHS. At the moment, NHS hospitals have a paramount and overriding duty to the treatment of NHS patients, but considering a health care system whereby services would be delivered through a series of commercial contracts brings that conflict of interest into the health care system—shareholders on the one hand, patients on the other. That is why there is such deep disquiet among health professions about these proposals. It is why those professions applied so much pressure last year, and the pause was ordered. It is why, I am afraid, they are still unhappy today—the Government have not addressed their concerns.

Mr Lansley: Before the right hon. Gentleman continues with this wholly erroneous line of discussion, will he reflect on the fact that the Bill introduces, for the first time, a transparency in accounting between NHS activity and any private income in any foundation trust, which he did not put into legislation? The Bill introduces a transparency that there can be no cross-subsidisation between NHS resources and any private activity. It

[Mr Lansley]

introduces a legal requirement for any foundation trust to explain to the public at its annual meeting how it has used any private income to the benefit of NHS patients. Will he reflect on the fact that the primary purpose of a foundation trust is to provide NHS services? For it to do anything that was to the detriment of NHS patients, involving private patients, would be contrary to its primary purpose and unlawful.

Andy Burnham: There are a lot of questions there. The Secretary of State discusses the safeguards, but he has introduced them precisely because he has made a major break with 63 years of NHS history. He needs them because he wants a different health care system in this country, in which much more work is done by private providers and in which the commissioning of services is largely handed over to the private sector. That is why he has had to introduce those safeguards. We had a health service that was planned, managed and publicly accountable, but he is throwing all of that away.

Dr Poulter: I thank the right hon. Gentleman for giving way; he is very generous. Does he not agree that the two hospitals with the highest patient cap—the Royal Marsden and the Royal Brompton—use the money that they make through private income very effectively, and put it back in to make them centres of excellence for all patients, particularly their NHS patients?

Andy Burnham: That was the policy of the previous Government, but the cap was clearly defined. It was a tight cap, and it reflected historical levels of work. What we are talking about is a liberalising measure to enable the private sector to double if not quadruple the amount of work that it is doing, which is why we are debating the motion.

I shall pose a question for the Health Secretary, who mentioned safeguards. If it is all fine to create a different NHS in which we have many more private contracts, might not the NHS risk register have something to say about the risks of creating such an NHS and the additional challenges of delivering health care through a system based on commercial contracts? Might it not lead to a diversion of spending on lawyers and consultants, away from patient care? Is there not a great irony, as we have heard the Health Secretary bemoan a lack of ability to intervene in the recent situation while, at the same time, here he is promoting a Bill that removes his ability to do so on a much wider basis? He wants to hand over his ability to intervene to the independent NHS Commissioning Board. The irony of his position will not be lost on many people listening to the debate.

Dr Phillip Lee (Bracknell) (Con): I have attended this debate to try to ascertain the direction of travel of Labour policy and to try to gain an understanding of its philosophy and underlying principles. I am somewhat confused, because you seem to be all over the place. Do you believe that health care is a commodity—*[Interruption.]* I apologise; I meant the right hon. Gentleman. Do you believe that health care is a commodity or not? Do you believe that access to health care is a right or not? The answers to those questions underpin the policies that you will introduce, I presume, in the next couple of years.

Andy Burnham: I do not know whether those questions were for me or for you, Mr Deputy Speaker, but let us assume that they were for me.

I introduced the NHS constitution, which enshrined for the first time the basic rights of NHS patients. I am proud to have done so, so I do not need any lectures from the hon. Gentleman about what we should do to improve health care in this country. I said in the motion that I am prepared to go back to my policy before the election in which we said that we would consider loosening the private patient cap. That is the policy that I have introduced to the House tonight. I am not prepared, however, to accept the wholesale abolition of that control to create a situation in which NHS hospitals can devote half their beds to private patients. If he is happy with that in his constituency, let him make the argument for it, but I am making an argument for a very different NHS from the one envisaged by Ministers.

Tom Blenkinsop: Is not the real question for the Government why on earth they have written the Competition Act 1998 into the Bill? Why have they written the Enterprise Act 2002 into it, and why have they allowed European competition law to create the haemorrhaging of a socially provided service under category B legislation? Why have they done that? What is the point? It can only be to loosen enterprise within the NHS for competitive purposes so that the private sector can come in.

Andy Burnham: My hon. Friend makes an important point. If the Bill was really about clinical commissioning, as the Government said at the beginning, and putting GPs in control, that could have been done through existing NHS structures. They could simply put clinical teams in charge of existing PCT structures. It could be done without any hassle or cost, but no, they completely broke down and rethought the whole system, because it was an ideological reform. Doctors oppose the measure, because they saw through the Bill, and saw it for what it was: a privatisation plan for the NHS.

Let me give three examples that demonstrate why the Prime Minister has not lived up to his "no privatisation" claim. The first is a letter sent by the Department on 19 July last year to NHS and social care leaders entitled "Extending Choice of Provider":

> "The NHS is facing a period of significant transition and financial challenge. But this is not a reason to delay action to address patient demands for greater choice".

It went on to require all PCT clusters and clinical commissioning groups to identify three community services by 31 October that would be subject to an "any qualified provider" tendering process. That is significant because it exposes the ideological agenda behind the Bill and explodes the myth that it is about putting doctors in charge. If that was the case, logic would demand that it should be for doctors to decide whether or not any underperforming services could benefit from open procurement. That mandating of compulsory competitive tendering, even before Parliament has given its consent to the Bill, reveals the real direction of the policy. We simply ask how that can possibly be consistent with the Prime Minister's promise of no privatisation.

The second example is the Department's guidance document to CCGs entitled "Developing commissioning

support: towards service excellence". I shall quote from the beginning of the document, which gives a clear statement of intent:

"The NHS sector, which provides the majority of commissioning support now, needs to make the transition from statutory function to freestanding enterprise."

It could not be clearer, which is why members of the British Medical Association council called the document a "smoking gun", confirming their fears of a stealth privatisation. The document confirmed that the Government envisaged large-scale privatisation of services to support commissioning—jobs that are currently carried out by public servants. It puts into practice the comments made by Lord Howe on 7 September 2011 at the Laing and Buisson independent healthcare forum:

"The opening up of the NHS creates genuine opportunities for those of you who can offer high quality, convenient services that compete favourably with current NHS care. If you can do that then you can do well. But you know that won't be easy, the NHS isn't a place to earn a fast buck...they will not give up their patients easily".

On commissioning, he said:

"Commissioning support is an absolutely critical area for CCGs. Some of it will come from the PCT staff who will migrate over to the groups but there will need to be all sorts of support at various levels...There will be big opportunities for the private sector here."

With reference to that second example, I ask the Secretary of State how on earth is that policy consistent with the promise made by the Prime Minister and the Deputy Prime Minister of no privatisation?

That brings me to the third example, which we have discussed tonight. Just before the Christmas recess, the plan, which threatens to change the very character of our hospitals, was sneaked into the House of Lords. I do not seek to argue that that provision would change the NHS overnight, but in the context of a competitive NHS, where there is an obligation to promote the autonomy of hospitals, I believe that it would completely change the character of our hospitals and the way they think and function over time. The effect of a cap at this scale—a staggering 49%—means that hospitals could give equal priority to private patients. It sets the NHS and private sector in direct comparison with each other, and creates the conditions for an explosion of private work in NHS hospitals.

It is such a liberal provision that the Government's amendment will have virtually the same impact as abolishing the cap completely, and it is a world away from the current situation. It fails to protect the interests of NHS patients by giving equal priority to other patients. Indeed, it creates a conflict of interest, as trusts could even seek to push patients into their private beds.

Charlie Elphicke: I thank the right hon. Gentleman for giving way; he has been extraordinarily generous in accepting interventions. When he discusses privatisation of services, does that include services taken on by charities, social enterprises and mutuals?

Andy Burnham: I am not against services being taken on by charities, voluntary providers and, indeed, the private sector. I have never set my face completely against that, but I see clear limits on the involvement and the role of the private sector in the delivery of NHS services. I see the private sector supporting the NHS, working at the margins, providing innovation and support. The Health Secretary sees the private sector replacing large chunks of the NHS, set up in direct competition with it, which is a very different policy. I ask the hon. Gentleman whether he was elected to the House to support such a policy. Do not the constituents of Dover quite like the NHS that we have, and want it to continue as it has for its first 63 years?

I want briefly to mention the impact assessment. It gives this specific warning if hospitals loosen the private patient cap without creating additional capacity:

"there is a risk that private patients may be prioritised above NHS patients resulting in a growth in waiting lists and waiting times for NHS patients. This is the eventuality that the PPI cap was originally introduced to prevent."

In other words, there would be a return to that traditional Tory choice in health care—wait longer or pay to go private.

That sums up the big difference between this Government's approach to the private sector and that of the previous Government. In our system, the private sector was encouraged to throw its lot in with the delivery of the best possible NHS standards of care to NHS patients. By contrast, the world view of this Government sees private health care as a way out of the public NHS, trading on its failures as a means of boosting the private market.

The next question that I ask the right hon. Gentleman to answer is whether the 49% plan can possibly be consistent with the Prime Minister's promise of no privatisation. We make a reasonable request this evening. We do not reject out of hand any change to the existing PPI cap on foundation trusts. Voting for the motion does not imply opposition to the entire Health and Social Care Bill. But we do reject a 49% cap, which is tantamount to abolition, and we call on the Government to revise it significantly downwards. Voting for the motion will send a signal from the House that the Government need to rethink.

In conclusion, I give notice that we will continue to oppose the Bill outright, and we will put everything we have got into that fight. Let me be clear. The Prime Minister should withdraw his "no privatisation" promise or he should withdraw his Bill. He cannot have it both ways. If the Bill is passed, I do not think there is any question but that it will lead to the privatisation of large chunks of commissioning and NHS provision. The truth is that this is an illegitimate Bill. Nobody voted for it, and it is a Bill that the Health Secretary has mis-sold to the public and professions. He claimed that it was about putting doctors in the lead, but doctors can see it now for what it is. From here on in, we on the Opposition Benches will call it what it is—a privatisation plan for the national health service.

We have called the debate tonight to bring these dangers home to a much wider audience. Time is running out for the NHS and I will give everything I have got to protect the NHS that I believe in. This is worth fighting for because the NHS stands for something different in a world where large parts of our national life have been taken over by profit and money. Recent events have shown the dangers of mixing medicine with the market. People see health as different from other areas and overwhelmingly support the NHS as it is. By and large they trust it and see it as one area of national life where the money motive has not taken over. They want it to stay that way and they look at social care as a warning, showing how a fragmented system can drag standards down. Nye Bevan said there would be an NHS for

"as long as there are folk left with the faith to fight for it".

[Andy Burnham]

This is the moment of greatest threat to our health service and I tell the Health Secretary and the Government straight tonight to drop this illegitimate Bill or face the fight of their lives. I appeal to Members in all parts of the House who have worries about where the Government are going with the Bill to send a direct message to the Government and to vote as their constituents would want them to—for an NHS that will always put patient care before profits. I commend the motion to the House.

8.3 pm

The Secretary of State for Health (Mr Andrew Lansley): We start 2012, and what is the Labour party's priority? Is it to welcome the NHS improvements in performance, as reported before Christmas—that waiting times are low and stable, that there are now 90% fewer breaches of mixed-sex accommodation standards than at the same time last year, that hospital infections are at their lowest ever levels, or that there are more doctors and fewer managers in the NHS than at the election? No, none of those was Labour's priority. Was it to welcome the increase next year announced just before Christmas in NHS funding for primary care trusts, or since Christmas an increase in the funding available this year direct to clinical commissioning groups to enable them to meet the needs of their patients? No, it was not that.

Barbara Keeley (Worsley and Eccles South) (Lab): I know that the Secretary of State was at Salford Royal hospital last week, where the abundance that he is describing does not seem to be around. That hospital—he went there to talk about nursing—will have to lose many hundreds of its nurses. It seems strange to us that we do not seem to see the abundance that he talks about and it certainly was not apparent at Salford Royal.

Mr Lansley: That is exactly the same question that the hon. Lady asked during oral questions. The Prime Minister and I did indeed go to Salford Royal hospital and we were tremendously impressed by what is being done there but, like other hospitals across the NHS, as part of a process of using resources more effectively and as part of the consequences of a transfer to supporting patients more in the community than in the acute sector, that hospital is changing the way it manages its services, and it is delivering cost improvements. We make no bones about that.

We delivered £4.3 billion of cost improvement in the NHS in the last financial year. We are aiming to do more this year. We delivered £2.5 billion, according to the deputy chief executive of the NHS, in the first two quarters. Every penny saved by reducing costs in the NHS is available to be reinvested in the NHS. That is why we are in a position to improve the performance. The hon. Lady did not talk about how that funding is becoming available through savings on central costs—for example, £150 million extra funding this year announced since Christmas for support for the integration of health and social care.

Was that Labour's priority? No. Did Labour come to the House and say, "We want to welcome the way the NHS has achieved an increase in the flu vaccine uptake," or the simple fact that flu activity at this stage is at its lowest level for the past 20 years? No, none of that. The hon. Lady talked about Salford Royal and the way nurses are engaging in some best practice—

Grahame M. Morris (Easington) (Lab): Will the Secretary of State give way?

Mr Lansley: No. I am still answering the previous intervention. Nurses are engaging in best practice to improve the quality of care for patients in Salford Royal. Was that the basis upon which the right hon. Member for Leigh (Andy Burnham) chose to come to the House to talk about the things that matter to patients—the quality of care being delivered to patients? No, it was none of those things.

Barbara Keeley: Will the Secretary of State give way?

Mr Lansley: No. I answered the hon. Lady's question.

Labour Members came to the House not to pursue the priorities of patients or of those who work in the NHS, but to pursue Labour's priorities. They are not in 2012; they are not even in the 21st century. They are back in the past. Talking of the past and somebody who lives in the past, let us listen to the hon. Member for Easington (Grahame M. Morris).

Grahame M. Morris: The Secretary of State has quoted a series of statistics. Does he welcome the 29% increase in patients waiting more than 18 weeks since May 2010 as a result of dropping targets?

Mr Lansley: Let me explain to the hon. Gentleman. The average time that patients waited for in-patient elective procedures in the NHS according to the latest data was 8.4 weeks, which is exactly the same as at the time of the last general election. For out-patients it was 3.9 weeks, compared to 4.3 weeks at the election. For diagnostic tests, despite the fact that the NHS has performed 440,000 more diagnostic tests, the average waiting time is 1.8 weeks, the same as at the election. Long waits? The hon. Gentleman did not say that according to the latest data published the number of patients waiting more than a year for their treatment went down 40%, compared with what we inherited from the Government at the time of the last election.

The motion is all about Labour's going back to the past. I am staggered. It is almost like revisiting Barbara Castle's antipathy towards the private sector, or that of the right hon. Member for Holborn and St Pancras (Frank Dobson), the only former Labour Secretary of State now, even including himself, that the right hon. Member for Leigh seems to agree with.

I will ask the House to reject the motion, but in a way I am asking the House to reject those sentiments all over again, because we have been here before with this debate. Far from the House not having had an opportunity to consider issues including the private income cap, I remember having exactly this debate on Report. We were very clear about that. We discussed it when the White Paper was published, we discussed it when the Bill was debated on Second Reading, when it was in Committee and on Report, and it has been debated again in another place. I hope to use this opportunity to

trample on some of the myths that the right hon. Member for Leigh and his friends are propagating about the Bill.

Dame Joan Ruddock (Lewisham, Deptford) (Lab): I have received information from inside King's College Hospital NHS Foundation Trust that priority is being given to private cancer patients in both diagnosis and treatment. Will the Secretary of State either confirm or deny that that is a fact?

Mr Lansley: If the right hon. Lady has any such evidence, she should give it to me. Let me explain that at the moment any individual member of NHS staff would be acting contrary to the NHS staff code of conduct if they saw a conflict between private sector and NHS activity and gave priority to private patients to the detriment of NHS patients. Technically speaking, under the legislation we inherited it is not explicitly unlawful for a foundation trust to do that but, as I explained to the right hon. Member for Leigh, a whole series of specific safeguards relating to the relationship between private and NHS activities was introduced into the Bill in another place. It makes it clear that the principal purpose of a foundation trust is to benefit NHS patients and NHS services. To do anything that is to the detriment of NHS patients will be unlawful. There are specific safeguards stating that foundation trusts cannot cross-subsidise between NHS activities and services and private services. If the right hon. Lady has information of a particular instance, she might as well give it to me.

Dame Joan Ruddock: I am grateful to the Secretary of State for giving way again. Does he not understand that a person who has this information is terrified of putting it into the public domain—*[Interruption.]* I am sorry, but he is wrong. We are talking about someone's job and livelihood. I simply asked him whether this is correct or not. Does he know?

Mr Lansley: I have no knowledge of what the right hon. Lady describes. Let me remind her that those working in the NHS have a responsibility to disclose anything that that they think is to the detriment of their patients' interests, and under legislation on public interest disclosure they have protection. I announced just before Christmas that in the latest contract for an enhanced advice line there should be a whistleblower advice line.

Kate Green: I note what the Secretary of State says about staff who have concerns being encouraged to express them, but in the case of Trafford Healthcare NHS Trust, where a private company has just been commissioned to provide orthopaedic pain relief services, the staff had absolutely no knowledge that that commissioning was going on. How can he be sure that staff will be able to raise concerns when there is such a lack of transparency?

Mr Lansley: What the hon. Lady describes is precisely what has happened time and again under the legislation we inherited, which is not transparent. Primary care trusts were not accountable or transparent and an enormous amount of activity went on with tenders that involved the private sector and was not conducted in the way that we want, which is on the basis of a tariff and on the basis of which provider is best able to deliver the highest quality.

Let me deal with the first of the myths propagated by the right hon. Member for Leigh: that we have some kind of privatisation agenda. We do not. As I recollect, the only time any Government had a specific objective to increase the role of the private sector in the NHS was when he was a Minister, his hon. Friend the Member for Leicester West (Liz Kendall) was a special adviser to the Department for Health and Patricia Hewitt was Secretary of State. That was when they were saying they wanted to increase the role of the private sector to 10% or 15%, and the Health and Social Care Bill contains specific provision not to allow such discrimination in favour of private providers in future.

Andy Burnham: The Secretary of State says that he has no proposals to increase privatisation. Will he confirm that he has sent a letter through the Department asking clinical commissioning groups to identify three community services that will be subject to a compulsory competitive tender?

Mr Lansley: No, because it is not compulsory competitive tendering. It will extend access to any qualified provider—

Andy Burnham: That is the same thing.

Mr Lansley: It is not. The right hon. Gentleman, having been Secretary of State, ought to understand the difference between compulsory competitive tendering and any qualified provider. Under compulsory competitive tendering, it is the primary care trust that gets to choose who provides the service, but under any qualified provider it is patients who get to choose. One example is access to wheelchair services. Voluntary sector organisations, such as Whizz-Kidz, are setting out to provide a better service. From its point of view, that is not competitive tendering. Wherever Whizz-Kidz provides the service, patients in that area—*[Interruption.]* If he wants to have a conversation with other Members, he may by all means do so, but I will sit down.

I answered the right hon. Gentleman's point and I am afraid that it proceeds from a fundamental misunderstanding of the difference between competitive tendering processes, which have been the stuff of primary care trusts—in the past it was they that decided who should provide services—and giving patients access to choice so that they can drive quality. Unlike competitive tendering, which was generally price-based tendering decided on cost and volume, under any qualified provider it is not about price, but about quality.

Charlie Elphicke: My right hon. Friend mentioned the provision of wheelchair services, which we have been looking at in Kent when considering how commissioning can be taken forward. Whizz-Kidz offers really great and radical ideas. Is it not the case that the Labour party would have condemned disabled people to the same standard-issue NHS wheelchairs rather than allowing them real choice across the spectrum?

Mr Lansley: My hon. Friend is absolutely right. That is precisely why on that basis, using the any qualified provider approach, the chief executive of the NHS can

[Mr Lansley]

set out the ambition that a child who needs a wheelchair should get it in a day. In the past they would have to wait and then would not necessarily get the wheelchair they wanted, or in any reasonable time scale. This is about driving improvement and quality. Many NHS providers will respond positively to that and deliver the quality, but if they do not we ought to be in a position to believe that what really matters in the NHS is the quality of the service provided to patients. That used to be what the Labour party believed in, which I suppose was why its last manifesto, written when the right hon. Gentleman was Secretary of State, stated:

"Patients requiring elective care will have the right, in law, to choose from any provider who meets NHS standards of quality at NHS costs."

That is a complete description of what we are setting out to do. It is a description of the any qualified provider policy and something that he has now completely abandoned, and he has abandoned patients in the process. It is absurd.

The objective of the Bill and of the Government is simple: continuously to improve care for patients and the health and well-being of people in this country, and that includes improving the health of the poorest fastest, and to ensure that everyone, regardless of who or where they are, enjoys health outcomes that are as good as the very best in the world. That is what we are setting out to do.

The motion states that the private sector already plays an important role in providing that care. Indeed, once upon a time the Labour party was in favour of it. The right hon. Gentleman said in May 2007:

"Now the private sector puts its capacity into the NHS for the benefit of NHS patients, which I think most people in this country would celebrate."

Like my hon. Friends, I do not understand where he is coming from. The motion tries to face both ways, stating that Labour agrees with the private sector but also wants to have less of it. It agrees that the private sector can make a valuable contribution, but wants to stop it doing so. What matters to patients is the quality of care they receive, the experience of their care and the dignity and respect with which they are treated. Whether the hospital or community provider is operated by the NHS, a charity, a private company or a social enterprise is not the issue from the patient's point of view. From our point of view, we should not make that the issue. The reason it will not matter is that, whoever is the provider of care, the values of the NHS—universal health care, paid for through general taxation, free and based on need, not ability to pay—will remain unchanged. No NHS patient pays for their care today; no patient will pay for their care in future under this Government. On that basis, I can absolutely restate what the Prime Minister said: under this Government and on our watch the NHS will not be privatised.

Tom Blenkinsop: With all due respect to the Secretary of State, I am afraid he cannot say that. We heard the excellent example of Whizz-Kidz, which is a fantastic organisation, but he cannot guarantee that it will get the contract, because Monitor, as we all know from the Bill, has primary control over who gets the service, and it will apply competition law, purely and simply. There is absolutely no guarantee that the third sector or co-operatives will get in, and in any case there is no guarantee that care quality will be applied in the decision.

Mr Lansley: Forgive me, Mr Deputy Speaker, but I hardly know where to start, given the degree of ignorance associated with that point. Monitor does not decide who gets the service; patients and commissioners do, and the clinical commissioning groups determine how they commission the services. Quality is absolutely at the heart of the Bill, and at the heart of how we structure the statutory duties of all organisations concerned, but the hon. Gentleman goes on about the application of competition law. Actually, there is no extension of competition law in the NHS and no extension of EU competition law as a consequence of the Bill; it simply enables the NHS to have a health-specific regulator so that the application of competition law and EU competition rules, in so far as they apply because the Bill does not change their application at all, is carried out by a health sector regulator.

Myth No. 2 is that the impact of a wider range of providers in the NHS will drive down the quality of care, but we will give patients more choice and more control over their health care. If people are given clear information about the quality of different providers, they will, with their doctors and nurses helping as their commissioners, choose the provider that is best for them, and the Health and Social Care Bill means that all providers will compete on the quality of their services, not on the prices that they charge.

There will be no incentive for doctors to encourage their patients to opt for the cheapest option, because there will be no cheapest option; there will only be the best-quality option.

Tom Blenkinsop: It will be Monitor's option.

Mr Lansley: No, it is nothing to do with Monitor in those circumstances; those whom I have mentioned will make the choice.

The more choice there is, the more innovation there is, the more new ideas there are and the more pressure there is on all providers from all sectors constantly to raise their game for patients. The evidence supports that.

Andy Burnham: I have been listening to the right hon. Gentleman very carefully, and he made a statement a moment ago about there being no privatisation—that privatisation will not result from the Bill. Is he saying to us that his Health and Social Care Bill will lead to no additional privatisation of commissioning or provision in the national health service? It is a very clear question.

Mr Lansley: There will not be any transfer of responsibility for services from the NHS to the private sector; the NHS will continue to be responsible. The balance in the NHS—*[Interruption.]* No, I shall answer the right hon. Gentleman's point. He is trying to interpret "privatisation" as every service currently provided by an NHS provider being provided by an NHS provider in the future, but whether services are provided by the NHS or by a private enterprise, a social enterprise or a charity will be determined by patients choosing who is the best-quality provider. So that is not privatisation;

the service remains free, and it remains an NHS service. It is guaranteed to patients in exactly the same way, and there is no presumption in the legislation—in fact, it excludes any presumption—in favour of a private sector provider as against an NHS provider.

The right hon. Gentleman is in absolutely no position to make any criticism of that, because he served in a Government who introduced independent sector treatment centres. They went through the process of giving the private sector contracts that were not available to the NHS, with an 11% higher price on average and a guarantee that they would be paid even if they did not necessarily provide the treatment. The net result was £297 million spent on operations that never took place, and the private sector walked away with that money, so he is in absolutely no position to make any criticism, because we are going to exclude such practices. The contracts that the Labour party gave to the private sector when he was a Minister are exactly the contracts that our legislation will exclude.

Henry Smith: Will the Secretary of State confirm that, under the previous Administration, private sector involvement in the NHS went up by 78%?

Mr Lansley: Interestingly, under the so-called extended choice network that the Labour Government introduced, the number of elective operations conducted in the private sector went from, I think, 16,000 in 2005-06 to 208,000 in 2009-10—an enormous increase. From the right hon. Gentleman's point of view, it was marginal capacity that did not really matter, but the point is that patients said that they thought it provided good quality care. In a Care Quality Commission survey, some 96% of NHS patients using independent facilities said that the elective surgery they received was "excellent" or "very good". The figure for NHS facilities was 79%. On the NHS Choices website, nine of the top 20 highest-rated NHS-funded providers were run by the independent sector; there were no independent-sector hospitals in the bottom 20. The general proposition is that the private sector is worse in the NHS, but there is no evidence to support that.

The right hon. Gentleman will recall that the Royal College of Surgeons conducted a study of the quality of care, and its general conclusion was that the quality of clinical care offered to NHS patients by private sector providers was as good as the care offered by the NHS. So what is his point? He used the private sector, patients used the private sector and patients were happy. What is his point?

Andy Burnham: We did, and I have celebrated it already, because it delivered the lowest-ever NHS waiting lists, which I celebrate again. But I am listening to the right hon. Gentleman, and I get the impression that he is completely confused. He cannot admit that his Bill will lead to more privatisation, but that is at its core, and people listening to this debate would have more respect for him if he came to the Dispatch Box and made an argument for what he is trying to do—to create a market in health care. Is he just floundering around? He is no longer able to say what the Bill is really about. It is about more privatisation, so why does he not try to make an argument for what he is trying to do, instead of avoiding the issue?

Mr Lansley: When the right hon. Gentleman finds that his argument is not working, he resorts to abuse. It is very simple: the Bill is not about privatisation. Patients will have access to NHS-funded services; the commissioners of those services will be NHS commissioners who are accountable to the NHS through statutory bodies, and they will not be able to transfer that responsibility to the private sector. Provision will be determined by the choices that patients and their doctors and nurses make about who is the best-qualified provider, and that choice will be made on quality, not on any other basis.

On the simple fact that we are looking to use competition within a tariff system, studies from Imperial college and the university of Bristol have recently shown that when it is introduced quality increases. Indeed, research from the university of York's centre for health economics suggests that, if anything, the use of such competition has tended to support a reduction in the inequalities of access and care, rather than to lead to greater inequalities.

Let me provide some examples, bearing in mind the path that the Labour party is looking to go down. The Eastbourne Wound Healing Centre, a social enterprise set up by a nurse and an occupational therapist, specialises in wound healing. Patients who go to their clinic often have wounds that have not healed over three years, but more than eight out of every 10 of them have those wounds healed in just six weeks. Should we prevent patients being seen there because it is not actually owned by the NHS?

The City Health Care Partnership in Hull provides palliative care at home for patients and does not put profit before patients. One carer said that

"this clinic is so different, the focus is about how the illness is affecting you and what can be done to support you through it."

Should we stop it doing that?

Another example is Inclusion Healthcare, a social enterprise in Leicester, which the hon. Member for Leicester West might know. It provides specialist health care to the homeless. Jane Gray, its director of nursing and development, stated:

"We're providing a better service than we did in the NHS. We're able to innovate and shape our services without constraint."

Should we shut it down? Would that reduce inequalities? No, it would make them worse.

Andrew George (St Ives) (LD): I endorse entirely the Secretary of State's criticism of the previous Government's bias towards the private sector. I would be grateful if he clarified an issue in respect of the integration of health services. Does he agree that, particularly at the secondary and tertiary level, the question is not so much about privatisation because if the NHS was to lose its preferred provider status, the gradual loss of many aspects of secondary and tertiary services in, for example, an acute general hospital might undermine the viability of the hospital?

Mr Lansley: The position is very clear, as the hon. Gentleman should know from the debates that we have had. Continuity of access to services through the NHS is one of the central responsibilities of commissioners and of Monitor. If there is any threat to the continuity of those services, they can step in and take measures to ensure that the services continue, including by agreeing funding beyond the tariff to make that happen. If the extension of any qualified provider could lead directly

[Mr Lansley]

to the loss of access to essential services for patients, the commissioners and Monitor do not have to go down that path. They can make those judgments.

I caution the hon. Member for St Ives (Andrew George) about hanging his hat on the NHS as preferred provider. Before the last election, the right hon. Member for Leigh said that the NHS should be the preferred provider. His philosophy said that the NHS should be allowed to get it wrong twice before the private sector gets a look in. From the patient's point of view it is, of course, a very cheerful thought that they will be surrendered to the policy of NHS as preferred provider.

Curiously, in March 2010, before the election and at the same time as he said that his policy was the NHS as preferred provider, the right hon. Gentleman published the "Principles and rules for cooperation and competition", which he seems to be very fond of and which we are maintaining. That document stated:

"Commissioners must commission services from providers who are best placed to deliver the needs of their patients."

It also stated:

"Commissioners and providers must not take any actions which restrict choice against patients' and taxpayers' interests."

The reason that the right hon. Gentleman published that document was that he knew that the policy of NHS as preferred provider was already going to be the subject of a legal challenge and that it would not survive that challenge. That is why he restated exactly the principles of co-operation and competition that we intend to incorporate directly and without amendment into the way in which Monitor does its job.

Tom Blenkinsop: Will the Secretary of State give way?

Mr Lansley: No, I am going to move on. There has to be time for people to contribute to the debate, so I do not want to go on for too long.

The Health and Social Care Bill will, for the first time, ensure that private and voluntary sector organisations have to meet the same exacting standards and be regulated in exactly the same way as NHS organisations when they provide NHS services. Because that extends to any organisation providing NHS services, whether it be private or voluntary, it is disingenuous at best and possibly disreputable for the right hon. Member for Leigh to draw any comparison with the PIP breast implants scandal. There is no comparison between the position of a private company working in the private sector providing private services and the role of a private company operating inside the NHS under NHS controls. He knows that there is no comparison. In the NHS, the patient will be wholly protected. It is our intention to ensure for the first time—this did not happen under the Labour Government—that when a private sector provider operates in the NHS, it has to provide equivalent indemnities to its patients as would be provided through the NHS. That did not happen when the independent sector treatment centres and other things were brought in. There will be better protection. The private sector operating outside the NHS is a different matter.

Myth No. 3 is that raising the cap on private income will lead to a worse deal for patients. The paradigm example is the Royal Marsden NHS Foundation Trust. Its private patient cap is set at 31%. That is because in 2002, 31% of its income was derived from private sources and that was the basis on which it became a foundation trust in 2004. Its current private patient income is 25.8% of its total income. The fact that it has a cap does not mean that it goes up to it. In fact, its private patient level has come down slightly. The effect of setting the cap at 10%, as suggested by the right hon. Member for Leigh, would be to take about a fifth out of the income of the Royal Marsden. The Royal Marsden, like Great Ormond Street, is a classic example of how having a thriving private income from research, joint ventures and patients coming from overseas can get a hospital to a place where it can also consistently be recorded as one of the most excellent hospitals in the NHS, where NHS patients get the best care. It has on one hand the highest level of private patient activity—or, strictly speaking, private income—and on the other hand the highest standard of NHS care. The two things are entirely compatible.

Andy Burnham: May I just ask the Secretary of State to correct what he has said about the statements that I made? I did not say that I would reduce the Marsden's cap. I said that we would allow a small increase on the existing cap that is linked to trusts' own historical levels of private work. It would help the debate if he would be careful to get my position right. I was not talking about an across-the-board, blanket 10% cap, I simply said that some trusts with a much tighter cap of 1% or 2% were asking for a little extra leeway, which I said should be provided. I am not proposing a 10% cap across the board.

Mr Lansley: I think I could be forgiven for not understanding what on earth the right hon. Gentleman was talking about, since he did not put it in his motion and my colleagues had to ask him three or four times before they got anything close to an answer—he was saying "10%, or in single figures, we're not quite sure what it would be".

We have always been clear that there is an inherent unfairness in some foundation trusts having a cap set at the maximum 31% and others having it set at 1.5%, as all mental health trusts did when they were allowed to become foundation trusts. Technically, all NHS trusts have no cap at all, and some of them use that flexibility. Great Ormond Street, for example, is an NHS trust, not a foundation trust, and it uses that freedom, mainly to treat patients from overseas. Are we to stop that happening? I ask the right hon. Gentleman where he would set the cap for Great Ormond Street. I will give way to him if he will tell me.

Andy Burnham: I am not defending the existing policy. The cap was set for each trust individually to reflect historical levels. The reason trusts such as the Marsden and Great Ormond Street have a more generous cap is the large amounts of private work that they carry out. *[Interruption.]* Yes, but if and when they become foundation trusts under the Secretary of State's policy, they will have caps reflecting their historical levels of work if he adopts my suggestion. I have proposed that each individual cap be modestly loosened, but he proposes an across-the-board 49% cap applying to all NHS hospitals, effectively meaning that every NHS hospital could devote half

their beds to the treatment of private patients. Will he confirm that that is the effect of the policy that he is bringing forward?

Mr Lansley: Answer came there none. The truth is, we are doing exactly what the right hon. Gentleman and his party intended to do. At the election, Labour said in its manifesto:

"Foundation Trusts will be given the freedom to expand their provision into primary and community care, and to increase their private services—where these are consistent with NHS values, and provided they generate surpluses that are invested directly into the NHS".

That is what we are doing.

Karl Turner (Kingston upon Hull East) (Lab): Will the Secretary of State give way?

Mr Lansley: No.

We are giving foundation trusts freedom to generate revenue from other sources that can be invested directly into the NHS. When Moorfields, for example, sets up a clinic in the middle east in a joint venture, should we say, "No, you're not allowed to do that, because it might imperil your ability to support NHS patients"? Actually, it will help their ability to do so, with NHS Global encouraging the NHS.

I believe in the NHS and in the ability of NHS hospitals and providers, which in the past have had their horizons limited, to move beyond those horizons and deliver much better care. That can include turning them into international providers of choice in joint ventures across the world, and even joint ventures in this country, whether in research or the provision of additional services. However, as I explained to the right hon. Member for Leigh in an intervention, under the Health and Social Care Bill the principal purpose of any foundation trust will be the provision of NHS services. Doing anything that would be to the detriment of its provision of NHS services would be unlawful. Foundation trusts cannot cross-subsidise from NHS services into private services.

Tom Blenkinsop: Will the Secretary of State give way?

Mr Lansley: No.

Individual staff in the NHS have a duty not to allow their private activity to be to the detriment of their NHS activity. Foundation trusts will have an obligation to be transparent in accounting for the two sources of income, and they will have an obligation to report at their general meeting how they have used their private income to benefit their NHS patients.

I am afraid that what the right hon. Member for Leigh says is a tissue of nonsense. The 49% amendment was introduced only to make it abundantly clear that if the principal purpose of a foundation trust is the provision of NHS services, by extension that would not be consistent with the balance of its activity being private rather than NHS activity—hence 49%. There is no specific intention that NHS foundation trusts should increase their private income to any specific degree.

Sarah Newton (Truro and Falmouth) (Con): Is it not true that the cap is "up to" 49%? Does my right hon. Friend agree that the best decisions are made not at the Dispatch Box by plucking numbers out of the air, but by patients, clinicians and hospital trusts?

Mr Lansley: My hon. Friend is absolutely right. The Labour party appears to be going backwards. Its 2010 manifesto said:

"We will support an active role for the independent sector working alongside the NHS in the provision of care",

but tonight's motion says that Labour has abandoned that policy. I quoted earlier the Labour party's commitment to giving patients the choice of the best available provider. Its policy tonight is to abandon patients, including the 81% who told a survey that they want to exercise choice. Labour's manifesto said it would give foundation trusts freedom to expand and increase their private services. It has now abandoned that policy.

Why does Labour do that? Why did it abandon those policies? Perhaps it is because the Labour party is a wholly owned subsidiary of the trade unions. Labour is interested not in patients or the NHS, but in the trade unions, because its policy is all about the protection of trade union interests—vested interests. The guarding of the vested interests is the remaining activity of the Labour party, but it will diminish over time.

Let me tell the shadow Health Secretary very simply what we are setting out to do. Under this Government, the power to choose will increasingly lie in the hands of patients, doctors and nurses, and incentives will encourage all providers to integrate their care and improve the quality of their care. The result is not a fragmentation of the NHS or inequalities, but better, higher-quality care, and integrated NHS care that offers everyone the very best care available. We will use choice—patients', doctors' and nurses' interests in delivering that choice—and the best quality provision to deliver better outcomes for patients. That is why I urge the House to reject the Opposition motion.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. We have very limited time and I wish to get quite a lot of Back Benchers in, so I am going to start with a six-minute limit. I may have to reduce it, but I am going to try to ensure that we get everybody in.

8.42 pm

Grahame M. Morris (Easington) (Lab): To respond to some of the misrepresentations of the Opposition, I worked for the NHS for some 12 years and hold it in the very highest regard. I am here to defend the NHS against privatisation, and I make no apology for doing so to Government Members or anyone else for that matter.

It is fitting to pay tribute to all those who work in the NHS and who make it such a tremendous institution. I also pay tribute to members of the British Medical Association consultants committee who took part in Bevan's run to mark their opposition to the dreadful Health and Social Care Bill as part of the "Drop the Bill" campaign. They ran 160 miles in six days from Nye Bevan's statue in Cardiff to deliver a postcard to the Department of Health in Whitehall to call on the Secretary of State to drop the Bill.

[Grahame M. Morris]

In the limited time available, I should like to address the point in the motion about the cap and to address Government Members' misrepresentations. The private patient income cap, which was set up under the previous Labour Government in the Health and Social Care (Community Health and Standards) Act 2003, which established NHS foundation trusts, was a protection against the need for profit overtaking the needs of NHS patients. With all hospital trusts set to become foundation trusts by 2014, a meaningful cap on the amount of resources that can be directed to the care and treatment of private patients becomes even more important.

The passage of the Health and Social Care Bill—it is in the Lords at the moment—can only be described as a shambles. It is an incredibly unpopular measure. There could have been agreement on, for example, clinical involvement in commissioning, but that could be achieved without this incredible disruption to the service. I certainly believe that it is harmful to the future existence of the NHS. There is no mandate or basis for it in the Conservative or Lib Dem manifestos or in the coalition agreement. This NHS privatisation plan might be better described as an NHS privatisation paving Bill—

Guy Opperman (Hexham) (Con): Will the hon. Gentleman give way?

Grahame M. Morris: With all due respect, I have very limited time and I am not going to take any interventions.

Any utterance about the nature of the NHS reforms planned by the Secretary of State during the general election campaign was heavily disguised. He weaved a tangled web in private health care during his seven years as Opposition spokesman on health. A few moments ago, he mentioned Labour's involvement with the trade unions, but it is the involvement of the Conservatives with private health care interests that should be the subject of scrutiny.

NHS professionals, staff, the public and experts alike have all rejected the ethos of profits over patients, but the Secretary of State will not be deterred. He has defended his move by claiming that foundation trusts have a core legal duty to care for NHS patients. However, at the same time he is telling these trusts that they must make a profit to survive, and that if they run a deficit, they risk failure. That could mean being taken over by another trust or, as we have seen in the case of Hinchingbrooke hospital in Huntingdon, being taken over by a private sector provider.

We have not seen the Bill's risk assessment, but as a member of the Public Bill Committee, I saw the impact assessment, and in point B95 it confirms that rather than improving services at hospital level through performance management, poor providers

"may need to contract or exit completely."

That has created the ultimate Catch-22 for foundation trusts, with a conflict between patients and profits. A further Government proposal to scrap the provision in the 2006 Act which allows failing foundation trusts to return to NHS control puts further pressure on the need for trusts to pursue profits and has been opposed by the NHS chief executive, Sir David Nicholson.

I urge hon. Members to vote for the motion to ensure that patient care is placed before private profit and to send a clear and strong message to the Government that they must think again about their plans to ratchet up privatisation in our beloved NHS. The Minister of State, Department of Health, the right hon. Member for Chelmsford (Mr Burns) has often quoted Nye Bevan, but to quote Robin Cook,

"If he believes that the spirit of Nye Bevan supports his changes to the NHS then there is a wheel missing from his ouija board."

8.48 pm

Mr Stephen Dorrell (Charnwood) (Con): It is a pleasure to follow the hon. Member for Easington (Grahame M. Morris). He and I are both members of the Health Committee and, surprisingly perhaps, we more often find ourselves in agreement about the objectives that we are trying to deliver than is obvious from the nature of the debates across the Floor of the House.

I shall focus my remarks on the speech by the shadow Health Secretary. I have some quite good news for him—he was a far better Secretary of State than he himself appears now to believe. As Secretary of State, he did not allow himself to fall victim to the kind of prejudices that have been ventilated this evening. Tonight, he fell into the old trap of eliding two concepts and pretending that they are the same. The two concepts are, on the one hand, privatising the health service, and on the other, involving the private sector in the improvement of care available to patients. As Secretary of State, he was well able to distinguish between those two concepts and pursued policies of involving the private and voluntary sector when there were opportunities to improve care for patients. He now prefers to forget the fact that during his time as a Minister we not only heard plans for involving the private sector in improving the care delivered to patients but saw an open-minded attempt to bring in the private sector to improve the process of commissioning in the health service. That was what world-class commissioning was designed to deliver. We are now asked to turn our mind away from all those ideas.

I, like my right hon. Friend the Secretary of State, am in favour of tax-funded care for patients. I am in favour of equitable access to high-quality care, like my right hon. Friend the Secretary of State and like the shadow Health Secretary. I am also, however, in favour of plural provision, looking for the best solution for patients and the best value for taxpayers. In that respect, I am, as the shadow Health Secretary used to be but apparently no longer is, a straightforward Blairite. This was the breakthrough that Tony Blair taught the Labour party that it now appears to have forgotten. It was Tony Blair who advocated the introduction of private hospitals into the delivery of care and Tony Blair who stressed the importance of the third sector in finding new ways of improving care for patients, yet it is now my right hon. Friend the Secretary of State who has to pick up the Blairite torch that has been so unceremoniously dropped by the shadow Health Secretary.

It is worth reflecting, is it not, on whether this Blairite consensus is the inevitable consequence of the principle of commissioning—

Andy Burnham: Will the right hon. Gentleman give way?

Mr Dorrell: I would be delighted to.

Andy Burnham: If the policy that the Secretary of State is pursuing is a continuation of our policy in government, why do the Government need many hundreds of pages of legislation and a new Bill?

Mr Dorrell: The right hon. Gentleman is in danger of creating another consensus. Indeed, there is a debate about whether the Bill moves things forward as far as the rhetoric suggests. I am on the record many times saying that the claims made for the Bill by, if I am honest, both the Government and the Opposition spokesmen are grossly overstated. It introduces greater engagement by clinicians in commissioning and greater engagement by local authorities in commissioning through the health and wellbeing boards, and those are good things. I agree, however, with the tone of the right hon. Gentleman's last intervention: the new world is not quite as far removed from the old as he sometimes likes to suggest and as he suggested in his speech.

Let us focus for a second on what it means to have commissioners in the health service. When the shadow Secretary of State has more time one day, I would like to hear him talk us through the process, which he would, on occasion at least, advocate, of turning down a good idea that is brought to a commissioner to improve care for patients and good value for taxpayers because that idea comes from the private sector. I hold no brief for the private or public sector in the delivery of care; I hold a brief for tax-funded equitable access to higher quality care from whomsoever provides that care. That is what I mean when I say that I am a straightforward Blairite and I look forward to welcoming the shadow Health Secretary back into the fold.

8.54 pm

Barbara Keeley (Worsley and Eccles South) (Lab): I want to speak in support of the motion and argue that NHS hospitals are not private businesses and should not be turned into private businesses, pitted against each other and competing for the most lucrative procedures.

Many of the dangers inherent in the Government's plans have been displayed in the saga about PIP implants. In that case, tens of thousands of women have been left worried sick about implants received in surgery in private clinics. There are, of course, serious questions about regulation of the products used in private clinics on those tens of thousands of women. Indeed, it has emerged that the PIP implants were effectively counterfeit goods below medical grade, and I understand that some of the gel used in them is designed for use in mattresses.

On 23 December, the Health Secretary's initial response to the scare affecting tens of thousands of women was that his current advice was that there was

"no need to routinely remove these PIP breast implants. In the meantime we would recommend that all patients who have questions about their PIP breast implants should seek advice from their implanting surgeon."

As we have heard since, however, some women who had that surgery could not even contact their original surgeon and many clinics demanded hundreds of pounds even for a scan—money that the women involved just might not have. Last week, many private clinics said that patients must pay in cash to have the implants removed.

I did not feel that the initial advice would reassure the women involved, who were left with all their fears and concerns over Christmas and new year, so I asked fellow members of the Health Select Committee to consider an inquiry into the saga and the issues of regulation that it raised, and I am glad that Committee members agreed and that there will now be an inquiry. We have to remember, however, that reviews and inquiries move slowly for people worried sick about their health. I believe that the NHS should stand by these women, which it reluctantly now seems to be agreeing to do.

The Medicines and Healthcare products Regulatory Agency passed the products despite their being substandard or, as I said last week and previously, effectively counterfeit. I thought that the point was well made in an article by the health writer and commentator Roy Lilley. He wrote that

"women who have PIP made breast implants are the victims of a crime",

having

"spent fortunes on enhancements that have turned out to be counterfeit and possibly...injurious to their health... The NHS would not turn away a patient convulsing from consuming counterfeit vodka. Neither should it turn these women away."

This saga raises many issues about not only the quality of implants but regulation—or the lack of it—in private medicine. That is key to this debate. More issues have been raised in recent days about the ability of surgeons who practise cosmetic surgery in private clinics. Apparently, they are not always trained or skilled enough to apply to be consultants or even to practise in the NHS without supervision, but they are skilled enough to operate alone in cosmetic surgery and private clinics. To what standard do those private clinics operate? What about the many other products implanted in surgery—hips, knees and heart valves, for example? How well regulated are those products and how can we be sure of their quality? I hope that the Health Committee inquiry can tackle some of those regulatory issues.

The concerns raised recently about the cosmetic surgery industry prompt many questions about where we will be if the Government continue with their Health and Social Care Bill. Last week in a letter to *The Times*, 14 consultants, general practitioners and public health experts wrote:

"The government proposes a vast increase in private provision of health care just as we are told that existing private providers are unable to supply adequate records of what they have been doing and are charging exorbitant sums to consult their records for those women seeking information on what happened to them."

They continue to warn that the Health and Social Care Bill, now in the other place,

"provides much less protection for patients should their provider fail than is available to people booking package holidays."

We have to think about that, because the implications are frightening for the future of the NHS.

The other major area of decline is waiting lists—this has been touched on in the debate—which are already getting longer, to the detriment of NHS patients. We must question what will happen when up to half of hospital beds are being used for private patients. In 1997, this country had a Conservative Government and NHS waiting lists were shockingly long. I was out campaigning in the 1997 election with my right hon. Friend the Member for Wythenshawe and Sale East

[Barbara Keeley]

(Paul Goggins), and I met a man who had been told that he would wait two years for vital heart surgery. He was worried that he would die while on the waiting list. That was the reality of the NHS then.

After 13 years of a Labour Government and while campaigning in my constituency in 2010, I met a man who told me about a totally different experience of the NHS. He visited his GP on Monday and was sent for blood tests. On Tuesday, he was told that he could have serious problems and was admitted to a north Manchester hospital for further investigation. They had a specialist surgeon there who operated on him on Thursday and told him that the surgery had saved his life—four days to save a life in the NHS after a Labour Government had run it for 13 years versus a desperate two-year wait back in 1997 under a Conservative-run Government.

The Health and Social Care Bill challenges the NHS's founding principle that access to services should be based on need, not ability to pay. I know that my constituents do not want these changes. Many of them have asked me to be here for this debate and to vote for the motion. I am happy to do so.

In conclusion, I join my hon. Friend the Member for Easington (Grahame M. Morris) in mentioning the brave participation of Dr Clive Peedell and David Wilson in running 160 miles in six days to draw attention to the growing campaign to drop the Health and Social Care Bill. It is time the Government listened.

9 pm

Henry Smith (Crawley) (Con): I am grateful to be called, Mr Deputy Speaker. I had three reasons for writing to Mr Speaker requesting to take part in this debate. The first is that I genuinely wanted to hear, in this Opposition day debate on the NHS, what the Opposition's plans really are for the future of our health service. The second reason is that I want to describe the experience that my constituents went through, over 13 years of a Labour Administration. Finally, I want to talk about how already, in anticipation of the Health and Social Care Bill becoming law, clinicians in Crawley are working to deliver a better national health service.

I do not mind telling the House that I am forgoing an invitation to a dinner this evening, so great was my desire to hear exactly the official Opposition's view on the NHS. What I have heard this evening is incredible—or, so that I am not misunderstood, not credible. It is amazing that a party that massively increased the PFI programme during its tenure, spending billions of pounds of taxpayers' money in an inefficient way through the national health service, should come to the House this evening and try to claim that what we are trying to achieve in the Health and Social Care Bill will somehow privatise the national health service. Let us be quite clear: this Government are committed to providing a national health service that is available regardless of the ability to pay. The difference, I contend, between Government Members and Opposition Members is that they are ruled by some sort of centralist dogma that says that if the Department of Health has not willed it, it cannot happen, whereas the Government are trying to introduce a pragmatic approach, in which outcomes are far more important than the strict processes that a dogmatic system for delivering health care should produce.

I said that I wanted briefly to mention the experience of the NHS during what we are often led to believe were the golden years of the health service, under the previous Government. Those years were not so golden for my constituents, because in 2001—a decade ago—we regrettably saw the downgrading of maternity services at Crawley hospital. Crawley is a growing town; indeed, its motto is, "I grow and I rejoice". However, there was not much rejoicing when its maternity services were taken away and transferred almost 10 miles up the road to East Surrey hospital, where there is now increased pressure on maternity services, as it is having to cope with the increased number of people from not only east Surrey, but the north-east of West Sussex.

To add insult to injury, in 2005 Crawley hospital saw its accident and emergency department closed. Again, it was moved miles up the road to East Surrey hospital, even though there is little public transport between that hospital and Crawley—a growing and ageing town, with increasing health needs and major transportation links, not least the nation's second biggest airport, London Gatwick—and single-carriageway roads. At best, that is inconvenient for patients and for families wishing to visit them in hospital; at worst, it is potentially fatal. That is my constituents' experience.

Barbara Keeley: The hon. Gentleman is making a defence of A and E and maternity services, but does he not recognise that, despite the promises made by the current Secretary of State during the election campaign, many hospitals have, for clinical reasons, done the very same thing? They include Salford Royal, which has lost its maternity services, and others in the north-west, even though the Secretary of State promised that that would not happen to them. Does the hon. Gentleman not see that those things are going on now?

Henry Smith: The principal reason behind the closure of the accident and emergency unit at my local hospital was the European working time directive, which had a massive impact across the national health service. The NHS as an institution will of course evolve, the better to serve patients up and down the country. That is absolutely right.

That brings me to the third point that I wanted to make: the opportunity that the Health and Social Care Bill will provide for greater localisation in decision making on the future of health care services. I am delighted that the clinicians and GPs in Crawley have already come together to form a GP commissioning body, which is very ably chaired by Dr Amit Bhargava. It is brimming with ideas for innovative ways in which patients can be provided with much better services. For the first time in many years, decisions about the future of health care in Crawley are being made by Crawley clinicians, in conjunction with their patients and in the light of their patients' needs. The group is working in conjunction with the local authorities—West Sussex county council and Crawley borough council—which, incidentally, will be providing oversight of some of the private sector contracts in the national health service, as envisaged in the Bill. The provision of that democratic oversight for the first time will achieve a localisation of services that is more relevant to the needs of the local communities, as well as a far greater degree of oversight.

I reject the motion before us, and I welcome the Health and Social Care Bill. It will be better for patients and better for democratic oversight. Ultimately, we should be talking about, and delivering, better outcomes for health care in this country, not remaining wedded to an outdated dogma which does not deliver services as efficiently as it could and should deliver them.

9.7 pm

Mr David Anderson (Blaydon) (Lab): The NHS is rightly the most valued institution in this country. It has an impeccable track record of continuing improvement and innovation going back more than 60 years. The staff on the front line and those in the support services who are disparaged by Conservative Members as somehow irrelevant to the success of the service have never been frightened to face up to the challenges of change. They are, however, sick and tired of the constant demands of know-it-all politicians on all sides for endless reorganisations, restructuring and re-profiling. That is why they were so disappointed after the Prime Minister had told them that there would be no more top-down impositions from on high; they and the British public were, quite simply, misled.

The fears around privatisation are a reflection of yet another change to the structure of the NHS, and it is a very unwelcome one. The Secretary of State tried to rubbish the trade unions tonight. He did not mention all the other professional bodies in the NHS that are opposed to the changes. The only people who seem to be in favour of them are those in the Tory party, and their friends in the Liberal Democrats. None of the people who are delivering the services want the changes to happen. That includes the GPs that the hon. Member for Crawley (Henry Smith) was talking about. They might well be doing good work in Crawley, but the key is that they do not want to have to do it in that way. The general public are also worried about the changes.

The Secretary of State said that we should not look back, but if we do not learn the mistakes of history, we will repeat them. We need to look at the situation that prevailed a long time ago. The working people in this country in the first half of the last century were desperate for a health care system. People came back from the devastation of world war one to a worldwide influenza epidemic. They were living in desperate conditions and working in massively unsafe workplaces. They were bringing up families whose lives were blighted and shortened by the diseases of poverty: tuberculosis, rickets, malnutrition and pneumonia. Their conditions of life at home and at work had changed little since the days of Dickens, yet we saw yet another world war where money that could not be found to build a decent society in peacetime was miraculously produced to kill millions in wartime.

At the end of that war, the men and women of this country were determined not to continue with that and were not going to put their faith in a Government and a private sector-driven economy that had failed them so badly. They turned instead to a Government who, despite the biggest debt crisis ever, determined that the health and well-being of this country's people was paramount. That is why Labour built millions of homes for people, why swathes of industries that had been disgracefully run down by the private sector owners were nationalised, and why we, the Labour party, built the NHS to ensure that never again would the quality of a person's health care depend on the depth of their wallets.

People quite rightly felt bitter about the way they had been treated for decades. That was perhaps best summed up by Nye Bevan, who set up the NHS, when on 4 July 1948, two days before the NHS came into being, he said:

"no amount of cajolery and no attempts at ethical or social seduction can eradicate from my heart a deep burning hatred for the Tory party that inflicted those bitter experiences on me."

As expected, the Opposition did not like that, and Mr Churchill labelled Mr Bevan "the Minister for Disease". Equally as expected, Nye Bevan was having none of it. Speaking from the platform of the Durham miners' gala, he reminded people of the reality of life under Tory rule when he said—

Chris Skidmore: Will the hon. Gentleman give way?

Mr Anderson: Go on, then.

Chris Skidmore: The hon. Gentleman is quoting history, so I wonder whether he would agree that Nye Bevan could be seen as the pioneer of private sector involvement within the NHS, given that he accepted that more than 4,000 pay beds should be part of the NHS in order to ensure bags of investment in facilities?

Mr Anderson: Of course, the reality is as envisaged by my right hon. Friend the shadow Secretary of State, who has accepted that there is a role for the private sector within the health service, but the debate is about how big it should be and how much control there should be of the health sector. *[Interruption.]* May I carry on?

As I was saying, Nye Bevan responded to Churchill's criticism by saying:

"Who should be called the Minister for Disease? I am keeping mothers and children alive when he half starved them to death."

That is the legacy with which the Conservative party is lumbered. It is the burden round the neck of Conservative Members when the people of this country get worried about private involvement in health care. I have no doubt that Conservative Members will not agree with me, but it was right and proper when my right hon. Friend the Member for Leigh (Andy Burnham) drew an analogy between this privatisation and that of the utilities. We should look at the results of those privatisations: unfettered and uncontrolled expansion, with our energy supplies now controlled by foreign companies; huge, uncontrolled price increases; millions of people in fuel poverty; no control over the security of supply; a national grid not fit for purpose; and an incoherent strategy to face up to the challenge of climate change. Those are all the result of giving away our vital services to the highest bidder. People are quite right to say, "Why would it be any different in health?"

The people of this country do not want the NHS to become a copycat version of the American model—a model that costs twice as much as ours to run, yet leaves 20% of the population out in the cold when they are ill. Our NHS has a tremendous track record, dealing with millions of people every week. Our life expectancy levels have risen rapidly, especially over the period when the previous Government reversed the years of underfunding that were the trademark of the last Tory Government. Public satisfaction rates were at record levels when we left office 18 months ago.

[Mr Anderson]

This present Government have broken their promise to the British people. They have lied to the staff who work magnificently to deliver our NHS. They are intent on breaking up the NHS and replacing it with a system based once again on a programme that puts profits before patients. If Conservative Members really believe in privatisation, they should ask the people what they want. The people have woken up to the reality of the Conservative party; they realise that once again the NHS is not safe in Tory hands—even though they are wearing the yellow gloves provided by the Liberal Democrats. Patients, as the figures clearly show, want no further privatisation of our NHS.

9.14 pm

John Pugh (Southport) (LD): Far be it from me to presume to criticise the wise counsel of other Members, but it is absolute nonsense to think that the NHS has always been a monolithic system of public provision. It is absolute nonsense to think that private health providers always think only of profit instead of providing a good service or that services delivered by a public body are necessarily less costly or always better than those delivered by a private provider. It is nonsense to think that choice and competition are never needed, that diversity is bad or that reform or improvement—I prefer that word—is not needed. Sensible, pragmatic, evidence-led arguments can be made for mixed provision, for improvement, for choice and competition, for the involvement of the private sector and for diversity. That is not the problem.

The problem is that pragmatism and evidence count for very little because for the past eight years health policy in this country has been in the grip of an unspoken ideology. Put very simply it goes like this: the Government have no real business in providing health services but should buy them from health providers in a market. Some will be private providers that will make a profit, some will be voluntary bodies or social enterprises and others will be the fragmented, dissected pieces of the old NHS—foundation hospitals, trusts and the like. All can be branded as NHS providers if we want and all can have the NHS logo. The differences between them all will become increasingly blurred and of no consequence. Some people believe it should not matter which of these bodies delivers health services so long as the taxpayer and not the patient pays and the Government keep out of the provider business. That idea is rather like what exists already in other countries, except that generally in those places it is insurance, not tax, that funds the system.

And it is not privatisation. Ministers can truthfully say, "We are not privatising the NHS." It is marketisation. What is happening is that the Government are buying health in a market, either national or local—an external market. They are gradually giving up on providing health services and in my view clearly mean to do so. It is a beautifully clear, coherent ideology that is rarely explicitly set out, defended, discussed within parties or put to the electorate. Indeed, to do so might be electoral suicide.

Stage by stage over the past eight years that ideology has been progressed. If one assumes it and holds it in mind one can understand why hospitals have to become foundation hospitals independent of the state—that was a Blair idea—and why it was necessary to create a bigger private sector by offering it preferential terms, which was another Blair idea. One understands why services formerly run by primary care trusts, such as community nurses and the like, are being forced to become social enterprises and why it is suggested that NHS hospitals might do up to 49% private work and that private hospitals can do as much NHS work as they like. One also understands why the Health and Social Care Bill abolishes the Government power to start a new hospital, why there is such unseemly haste to extend "any willing provider" and why the Secretary of State, even at the cost of peace in the Lords, does not want the word "provide" back in the list of his powers. If anyone is unpersuaded regarding any of that, let them turn it the other way around and point to one—just one—recent policy initiative that clearly shows that that market solution is not the endgame and the ultimate goal.

I do not believe that ideology is in itself bad, and this ideology has the virtues of being clear, consistent and radical, but in my view it is basically wrong because a health market cannot ensure that health services integrate well—the Future Forum spotted that—or that scarce NHS funds are spent in the most efficient way, as previous Treasury reports have shown in abundance. It cannot ensure that people get the services to which they are entitled and it cannot ensure that health inequalities are properly addressed. It clearly cannot easily make the strategic planning decisions needed to sustain services, encourage training and organise research, which is precisely why these issues have been so problematic in the Bill and why we are going to find slimming down the financially challenged hospital sector so painful and so uncontrollable in its consequences.

I am not here to argue against this market ideology, because, frankly, few have the honesty to argue for it openly. It is not the official Labour policy or the official Liberal policy. I do not believe it is even the official Conservative policy. It was smuggled past all of us, including the general public, shrouded in vague pragmatic talk about choice, diversity, reform and independence, but we should have no doubt: it is ideology. How else can we possibly explain the headlong pursuit at pace of a set of reforms that complicate and make riskier the huge £20 billion efficiency programme? How else do we explain the overloading of bodies such as the Care Quality Commission and Monitor, whose inadequacies, if not apparent now, will soon become painfully apparent after the Mid Staffs inquiry reports?

Andrew George: Does my hon. Friend agree that it would be worth revisiting the issue of whether the NHS should be pre-eminent as first provider or in some other role before we finally make what may be a catastrophic error?

John Pugh: My fundamental point is that this is not evidence-led pragmatism. If we join up the policy dots, we see pure, simple, unalloyed faith in the market system to deliver health in this country. Time after time, in issue after issue, ideology trumps pragmatism and prudence.

The Labour motion is a potpourri of varied sentiments, some of which are true and some of which are confused, and some, given the history, that it is surprising the Opposition have the gall to table at all. However, we

should be genuinely grateful to them because they have given us an opportunity—a platform—to name the beast, to define real choice and to cut to the quick.

Chris Mullin, in his excellent "Diaries", describes a discussion with a fellow Member of this place, a Yorkshire MP, "a mild-mannered fellow"—I do not know who that would include—who in 2005, prophetically, said of the Labour party:

"We're opening the door...Whatever safeguards we put in place, whatever assurances we give will be absolutely worthless once the Tories are in power...I think we will lose the next election. The Tories will come to some sort of understanding with the Lib Dems—"

Mr Deputy Speaker (Mr Lindsay Hoyle): Order.

9.22 pm

Frank Dobson (Holborn and St Pancras) (Lab): I agree with a substantial number of the points made by the hon. Member for Southport (John Pugh). The Government claim that their proposals are just an incremental extension of the Labour Government's involvement of the private sector, bringing private patients into NHS hospitals. In fact, they are nothing of the sort; they are dramatically different in nature and scale. To justify them, the Government grossly exaggerate the contribution the private sector has made.

I am sorry that the right hon. Member for Charnwood (Mr Dorrell) has left the Chamber, as in 1997 when I took over from him as Secretary of State for Health, the NHS was carrying out 5.7 million operations. By the time Labour left office, the figure was 9.7 million—4 million more than when he was in charge. Of those 9.7 million operations a year, 9.5 million were being carried out in NHS hospitals and the private sector was doing 200,000, or 2.1% of the total. So much for its massive contribution to improving the service for ordinary people.

The private sector cherry-picked operations and patients, yet now we have the proposition that things will be franchised out; it was to be to "any willing provider," but now it is to "any qualified provider." Recent events suggest that it will be to any willing profiteer—to people who are good at the sales pitch and say that they can keep costs down and are superior to the NHS. They will be the people who use the cheapest breast implants and when things go wrong expect the national health service to bail out the patients they have harmed. They are a bit like the bankers: they are in favour of competition and a free market, but when things go wrong, they say, "Will the taxpayer please bail us out?" That is what we are seeing.

We also see in the proposals that the NHS hospitals should in future be able to undertake up to half the work on private patients. The right hon. Member for Charnwood talked about increased revenue. This year sees the 200th anniversary of the birth of Charles Dickens. He had a character called Mr Micawber, and he would have noticed that it is not the revenue that counts, but the revenue against the cost of providing the service. If the cost of providing the service to private patients is greater than the revenue that comes in from private patients, we are running at a loss and the NHS is subsidising them.

I say that about the Royal Free hospital, which does a very good job in serving my constituency. It just so happens that I have its figures, because I asked for them. In the last year for which figures are available, the Royal Free hospital took in £17.3 million in revenue from private patients. According to the figures it gave me, the cost of providing those services was £15.6 million—an apparent gain of £1.7 million. However, it went on to say that "costs are estimated" and

"not all costs are split between private and NHS patients in this way".

The costs are not clear. It might look as though the income is clear, but I then asked what the private patient debt is from those people.

Lorely Burt (Solihull) (LD): Will the right hon. Gentleman give way?

Frank Dobson: No, I do not have time and others want to speak.

The answer is that, over the past five years, private patient debt has never been lower than £6.4 million, against an income of £17 million. They are not exactly subsidising NHS patients out of the private sector income at the Royal Free, because they do not have enough income to subsidise them.

I recall years ago, when I was shadow Health Minister, running a campaign on this issue. The Tory Government said that they would change the rules and introduce a system, backed up by the National Audit Office, as it is now called—then, it was the Comptroller and Auditor General's office—that ensured that any private sector contribution produced a surplus. No such arrangements were put in place, and I challenge the Minister to identify what the position is with all those private patients in NHS hospitals. How many are running a surplus and how many are running at a loss?

Several hon. Members *rose*—

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. I will reduce the time limit to four minutes to try to get everybody in.

9.27 pm

Dr Daniel Poulter (Central Suffolk and North Ipswich) (Con): It is always a great pleasure to follow the right hon. Member for Holborn and St Pancras (Frank Dobson), but he was rather disingenuous about my right hon. Friend the Member for Charnwood (Mr Dorrell). My right hon. Friend said—I think we all agree about it—that where the private sector can add value for money and add value to patient care that always has to be a good thing, as well as something that I think Members on both sides of the House agree on.

My right hon. Friend made the point, which was also well made by the right hon. Member for Leigh (Andy Burnham), that this is not a debate about whether the private sector is a good thing or a bad thing in the NHS; it is a good thing, clearly, where it improves care for patients and offers high-quality patient care. The debate is about whether having a cap on the role of the private sector in foundation trusts is a good thing.

It appears that the private patient cap is set arbitrarily and varies from trust to trust. On the basis of what we know, it is difficult simply to argue that having the private sector heavily involved in the workings of a trust is necessarily a bad thing. We know that the 30% private

[Dr Daniel Poulter]

sector activity at the Royal Marsden is hugely beneficial—not only to the private patients, but to those patients looked after by the Royal Marsden who are NHS patients. We see the same at the Royal Brompton, Moorfields and many other hospitals with a relatively high private patient cap. At those hospitals, the money raised from private activities and the private sector is pumped back into the hospital to improve research and to provide high-quality patient care for all NHS patients at those hospitals. Simply saying that having the private sector involved in a hospital to a larger extent is a bad thing because it compromises patient care is plainly not the case. Some of the best hospitals make the case that, in fact, a cap set at a high level is right. As my right hon. Friend the Secretary of State said, at hospitals such as the Marsden, even when they could set 30% private activity, they use only a proportion of that cap, because what they look at first is their primary duty to their NHS patients and their primary duty to provide high-quality care.

It is difficult to argue for a cap set at an arbitrary level, because what everyone in the NHS is interested in, and what we in Parliament are interested in, is producing high-quality patient care. In that respect, my right hon. Friend the Member for Charnwood was absolutely right. Tony Blair believed that, and it was at the heart of his health care reforms. In that respect, the Government are carrying forward the mantra of patients' best interests.

I have discussed a little the fact that an arbitrary cap does not work, and is not in patients' best interests. I have also discussed the benefits that involving the private sector in hospitals can bring to NHS patients. The good thing about those hospitals, particularly the Royal Brompton and the Royal Marsden, which are centres of excellence, is the fact that private sector involvement improves the quality and the output of medical research. That is another reason why those hospitals are pioneering examples of high-quality patient research, which benefits patients, particularly in the NHS. This is a good motion, as it endorses the role of the private sector, which can be a good thing as long as it is for the benefit of patients. However, it is a bad thing to impose arbitrary caps that do not benefit patients.

9.31 pm

Rosie Cooper (West Lancashire) (Lab): There is no escaping the fact that the role of the private sector in the national health service is one of the most contentious issues to arise when discussing or debating the health service. Some people would suggest that there was no appreciable difference between the policies of the Labour Opposition and the Conservative Government, especially on the use of private companies to deliver services.

I believe that there is a huge chasm of difference, which has been borne out by this debate. It comes down to this: what we saw under previous Labour Governments was the private sector being used to add grit to the system. It operated in the system with strict limitations, and it was deployed, for example, to drive down waiting times from 18 months to 18 weeks. In tandem with targets, the private sector offered a means of improving the efficiency and effectiveness of the NHS, delivering choice and quality to patients. That is where our policies and those of the Government diverge.

It is clear that the intention of the Conservative-led Government is completely different. The NHS is under siege from the Government, who regard the private sector as a means to undermine and weaken the NHS. For all the rhetoric of the Prime Minister and the Health Secretary about their love of the NHS, I would assert that their actions have shown only that they do not fundamentally believe in the principles, values and ethos of the NHS. Those actions attack its very purpose and everything that people hold dear in that world-revered service.

The Government are pushing ahead with their Bill in the face of widespread opposition. Along with the majority of health professionals and the British public, I believe that the Bill should be stopped. Let me make it clear: nothing that I have heard from Health Ministers is reassuring for anyone who has fought to save the NHS. When the Government talk about a regulated market for the NHS people are, and should be, filled with fear.

There will be an increasing role for the private sector, and organisations can be both providers and commissioners. Any A-level business student could explain that that leads to a conflict of interest, and it contradicts and inhibits the notion of introducing genuine competition in the NHS, if that was the intention. I think that the Health Secretary may be mixing up words beginning with "c". Instead of "competition", I believe that the word he has been looking for is "cartel". However it is dressed up, there is one thing I am certain of: allowing such a situation to develop is not in patients' best interests. There are many questions that need answering. With the private income cap set at 49%, what guarantees are there that hospitals will be able to deliver choice and meet waiting times? What assurance can the Secretary of State give the House that private providers will not cherry-pick the best income-generation services, leaving cost-intensive services such as—

Julie Elliott (Sunderland Central) (Lab): Does my hon. Friend agree that removing the cap will do nothing to help the problem of health inequalities and that it will in fact exacerbate the problem?

Rosie Cooper: National health services should be provided on the basis of need, not the ability to pay, so I agree.

I was saying that cost-intensive services such as accident and emergency services may well be threatened. How will the overall capacity of the health care market be managed effectively? How would the Government ensure that the proposal did not impact on the ability of hospitals to deliver urgent care?

We have had to proceed very quickly, but there are some major issues to consider. In conclusion, I urge Members to support the motion for the simple reason that it shines a light on how, once again, the Government are developing policy based on ideology and not on what is best for patients. The people's trust was hard won and the Government have broken that trust yet again. It is another example of ill conceived, poorly developed, incomprehensible policy that we have come to expect from the Government, which leaves Members, the medical profession and our constituents with more questions than answers. A commentator said that the NHS was on the verge of a nervous breakdown. I believe that the way to save it is to kill the Bill.

9.36 pm

Jane Ellison (Battersea) (Con): We have heard much this evening from Opposition Front Benchers about celebrating the role of private providers, but the message that goes out from so many of the Back-Bench speeches is one of fear and alarm. It is the single message "public good, private bad", and it tries to tarnish every private health care provider with that notion.

I want to use my brief remarks this evening to pay tribute to the staff of the newest NHS facility in my area who are working hard to tackle health inequalities and offering a great service to busy people in my constituency, but these hard-working health workers work for a private sector provider. When they are providing their service in an NHS facility, they must feel mystified and rather let down, I suspect, to be constantly criticised by the Labour party.

I agreed with the hon. Member for Leicester West (Liz Kendall), who is not in her place, when she said in 2008 that the private sector has much to offer in tackling health inequalities. That is what that NHS facility run by Care UK is doing in my constituency—tackling health inequalities, helping busy, highly mobile young people who cannot register with a GP to get the service that they need, and helping shift workers, migrant workers and those whose working day starts too early for them to get to the doctor during normal hours.

The Junction health centre in Clapham junction, a busy transport hub, opened in March 2010. It was commissioned in 2007-08 and provided by Care UK, a private sector provider but an NHS facility, working to agreed NHS standards. Yes, the Opposition should take pride in having commissioned it. Instead, we see them rowing back from that previous sensible pragmatic position. The facility in my constituency is an excellent example of partnership working, and it is providing care for my constituents. They judge it as an NHS facility. They do not worry about who is providing the care. They worry about the quality of the care and service being provided, and they are voting with their feet.

The target that the facility was set was 2,000 patients by March 2012. There are already well over 3,000. Many of them were not registered with a GP before. The facility is registering homeless patients. How much more universal a service can there be than that? It deals with unregistered walk-in patients—more than 30,000 last year, and in many cases people who would not otherwise have got to see a GP. This is all good. But what do we hear from Labour Members? They talk it down. A previously consensual position on private sector provision is now incredibly polarised around an ideological position that suits this Parliament. Alan Milburn was right when he said in 2009:

> "Quality should be the only yardstick, not the type of provider."

The thousands of people who have attended the Junction health centre in Battersea over the past two years are being well served by hard-working and dedicated health professionals. It might suit the Opposition for narrow party reasons to denigrate the efforts of those health workers who work on behalf of the NHS, but I want to pay tribute to them publicly and say how glad I am that they are providing this much needed and greatly appreciated NHS service, free at the point of delivery, to my constituents. I oppose the motion.

9.40 pm

Mr Jamie Reed (Copeland) (Lab): Private sector involvement in the NHS will always be an emotive and contentious subject. As members of the party that founded the NHS, we on the Labour Benches are clear that there are, have been and always will be times when the private sector can and should provide an important function in supporting the delivery of NHS care, but recognising that role is in no way comparable to opening up the NHS to full-blown privatisation, which is the clear intention of the Government's shambolic Health and Social Care Bill, which is quickly acquiring the same level of popularity as the poll tax. There is a world of difference between using private providers to support the work of the NHS and privatising the NHS. This legislation and the Government's desire to set free the ravages of the market on what we believe to be the country's most treasured institution commands no public support and no democratic mandate.

The reality is that the NHS, as a publicly owned and publicly funded world-class health care service providing medical care free at the point of need, is one of the defining institutions of our society and one of the most important hallmarks of our national identity. Established in the aftermath of the greatest conflict our country has ever faced, the NHS was built by a tired nation and an exhausted people from the wreckage of the second world war. They knew that it would help to build a better country and that it could not be done by the private vested interests that so bitterly opposed its creation, and they were right. Every Member of Parliament must recognise that to the people we serve and to our country as a whole the NHS is more important than any of us, collectively or as individuals, and that it is much more important, more trusted and more respected than any one of the political parties represented in the House.

Politicians across the House must recognise that they damage the NHS at their peril. The public do not want the NHS to be opened up to the market, because they know where that leads: the wealthy customer will take priority over the patient in need. The Government know that the public would never have voted for any party with that objective at the heart of its health policies. For that reason, the privatisation of the NHS is being undertaken by stealth. It was a former Conservative Secretary of State, Michael Portillo, who told the BBC's Andrew Neil last January that the Conservatives

> "did not believe they could win an election if they told you what they were going to do because people are so wedded to the NHS."

He was entirely right. The Prime Minister knows it, the Secretary of State—the architect of so many privatisations when he worked for Lord Tebbit—knows it, and the Liberal Democrats know it.

We in this Chamber are often too slow, too ungracious and, frankly, too partisan to pay tribute to those outside our own parties when tribute is deserved, so I now commend the four Liberal Democrat MPs who voted against the Bill on Second Reading. They did so not simply because it was not in the coalition agreement and has no democratic mandate, and not just because they recognise that the NHS is bigger and more important than any of us or the fortunes of any political party, but because they recognise that the Bill paves the way for the privatisation of the NHS. May I just say "Ahoy" to the Education Secretary, who has just entered the Chamber?

[Mr Jamie Reed]

To paraphrase the hon. Member for St Ives (Andrew George), for whom I have a great deal of respect, those Liberal Democrats at least did not want to become the architects of the NHS's demise.

We have heard many promises from the Prime Minister on the NHS, none of which, sadly, is backed up by his or his Government's actions. He promised real-terms increases for the NHS, but in his first year in office he delivered a real-terms cut. He promised no top-down reorganisation, yet he delivered the biggest and most unwanted reorganisation since the NHS's creation. Most sickeningly of all, he played fast and loose with the trust of health campaigners across the country when he promised a bare-knuckle fight against hospital and ward closures. Now the Department of Health talks openly of nationwide hospital closure programmes, and wards and services are being lost all over the country.

It is essential to listen to health professionals on matters of health service reconfiguration, but it is deceitful to pretend to oppose those reconfigurations, to trade on the hopes and fears of ordinary patients and to say one thing in opposition and do another in government. But it is perhaps the Prime Minister's assurance of "no privatisation" in the NHS, given in May last year, that illustrates that pattern of behaviour most clearly.

Last year, Mark Britnell, one of the Prime Minister's hand-picked health advisers, told a conference of private health care providers:

"In future, the NHS will be a state insurance provider, not a state deliverer."

He continued:

"The NHS will be shown no mercy and the best time to take advantage of this will be in the next couple of years"—*[Interruption.]*

I advise those Government Front Benchers who are chuckling—perhaps the bars have closed early—to dwell upon the phrase "no mercy".

With the shambles of a Bill plunged into crisis, the Prime Minister was forced to demonstrate that he was across the detail of the Bill, and in a speech at Ealing hospital he said:

"Let me make clear: there will be no privatisation... These are red lines we will not cross."

Yet just before the Christmas period, perhaps ignorant of the Prime Minister's guarantee or based on the fact that there is no mandate for the changes and the Government are not in the habit of ever doing what they say they will, the Secretary of State tabled amendments to his health care Bill that would allow NHS hospitals to devote 49% of their beds and theatre time to private patients, opening the door to an explosion of private work in NHS hospitals and inevitably resulting in longer waiting times for ordinary NHS patients and widening health inequalities not just between but within different communities throughout England.

I therefore call on the Government to answer this simple question: how can it be right to allow the wealthiest in our country to use publicly funded services, paid for by the taxes of those most in need, to jump the NHS waiting lists that are now growing under this Government?

That is a Mickey Mouse policy, and speaking of Mickey Mouse I should say that Members who have been to Disneyland or any other holiday park for that matter—perhaps on a Tory party policy seminar—will have seen fast-pass systems in operation. The fast-pass system works in exactly the same way as the Government hope 49% private sector involvement in the NHS will: everyone pays to get into the theme park, the queues are too long so the richest pay more to beat them, and eventually all but the poorest buy the fast pass and the queues become as long as they were in the first place. The only difference is that everyone ends up paying double for the same queues they were suffering at the beginning.

The Prime Minister may not want to admit to the privatisation of the health service, and he may not be able to acknowledge that his attempt to change his party, based on a cosmetic change of attitude to the NHS, was never real and was always hollow, but the inescapable reality is that his Government, through the Health and Social Care Bill, are taking a sledgehammer to Britain's most valued public service by not simply allowing but encouraging, as a matter of principle, a private sector free-for-all in England's health service.

That is why in a speech in November last year the Prime Minister stated that he wanted the NHS

"to be a fantastic business for Britain"—

a line strangely omitted from the official transcript of the speech—*[Interruption.]* The Minister of State, Department of Health, the right hon. Member for Chelmsford (Mr Burns), chunters from a sedentary position, but he himself told "Newsnight" in January last year that the Prime Minister's Bill would turn the NHS into a "genuine market".

Labour Members believe that the NHS is an unprecedented force for good in our society, the mainstay of so many of our communities and the guarantor of a fairer, better society. We believe it speaks to who we are and what kind of nation we aspire to be. It is not the Prime Minister's to sell, and it is not for sale.

Only a few months after becoming a Health Minister, the hon. Member for Sutton and Cheam (Paul Burstow), representing the Liberal Democrats—he is not in his place—told reporters from *The Daily Telegraph*:

"I don't want you to trust David Cameron...he has values that I don't share."

The Minister was right then, and if we listen the to the rank and file membership of the Liberal Democrats we find that that is what they believe now.

The inescapable reality is that the Liberal Democrats find themselves in a constitutionally and historically unique position. They can now determine the future of the NHS in England, as either a world-class public service treating people equally, providing medical care to those who need it and free at the point of use, or as a fragmented, US-style health system, that will see publicly owned hospitals, publicly funded services and health professionals employed by the public purse giving up 49% of hospital beds and theatre time not to those who need them but to those who are most able to pay for them. That is an enviable responsibility, and Liberal Democrats Members can stop that creeping, stealth privatisation of the NHS. The Minister was right to distrust his Prime Minister, and his party colleagues can stop this attempt to take a wrecking ball to the NHS as we know it.

After the gold rush, the NHS might never be the same again. That is why the editor of *The Lancet*, Richard Horton, told the "Today" programme last week:

"What we will see with private providers is a fragmentation of the NHS, with no accountability...we will see the diminution in the quality of care. And unfortunately what we are seeing with the breast implant scandal is the future of the NHS, it will be destroyed."

Tonight, the Secretary of State has dissembled and fumbled his way through an attempted defence and explanation of the Bill, but he could not provide it. He does not know what he is for, what he is against, what he is replacing or what he is introducing. It is no wonder that the medical profession neither believes nor trusts him. He either does not know what his policy is or he is afraid to say. The country deserves better. This is now a bare-knuckle fight and the Government must think again.

9.50 pm

The Minister of State, Department of Health (Mr Simon Burns): To begin on a conciliatory note, I congratulate the hon. Member for Copeland (Mr Reed) on his first speech from the Front Bench as a junior shadow Health spokesman. I did not agree with a single word that he said, but I congratulate him on the way in which he spoke.

I have no idea what new year resolutions the Labour party has made, but perhaps I could suggest one: to get their facts right. Having listened to the endearing speech of the right hon. Member for Holborn and St Pancras (Frank Dobson), the same speech that I have heard on many occasions from the hon. Member for Easington (Grahame M. Morris), the slightly bizarre speech of the hon. Member for Blaydon (Mr Anderson) and the speech from the hon. Member for West Lancashire (Rosie Cooper), I have to say that they really have got it wrong. It is wrong to seek to misrepresent by repeating a fallacy.

I congratulate my right hon. Friend the Member for Charnwood (Mr Dorrell) on his lucid exposé of the contradictions in the arguments of the right hon. Member for Leigh (Andy Burnham). I thank my hon. Friends the Members for Central Suffolk and North Ipswich (Dr Poulter), for Crawley (Henry Smith) and for Battersea (Jane Ellison) for their thoughtful contributions. I listened carefully and with great interest to the speech by the hon. Member for Southport (John Pugh) but, to be honest and frank, I was not carried by the strength of his argument on the issues.

I fear that many of the contributions of Opposition Members that my hon. Friends and I have had to listen to have given a series of misrepresentations and misinformation. I remind them that for 36 years, just over half the 64 years of the national health service, it has been under the stewardship of the Conservative party. We have never sought to privatise the health service and we never will privatise the health service.

Frank Dobson: Will the Minister give way?

Mr Burns: Because of the time, I will give way to the right hon. Gentleman, but to no one thereafter.

Frank Dobson: The Minister suggested that I had used *figures that were not factual. If they are* not, he should know that they all came from parliamentary answers signed by him.

Mr Burns: I did not in any shape or form suggest that the right hon. Gentleman's figures were wrong. I argued that his arguments and his philosophy were wrong. They are based in a time that is pre-Blair, let alone Blair, which I know is now anathema to the Labour party. Ironically, one might say, as I think did my right hon. Friend the Member for Charnwood, that Government Members, in this respect, are all Blairites now.

Rather than pour scorn on an invented problem, the Opposition should welcome the healthy relationship between the national health service and private providers—a relationship that is mutually beneficial, that has existed since 1948, that is better for patients and, I hesitate to remind the right hon. Member for Leigh, that flourished under his Government. The previous Labour Government expanded the involvement of the private sector in the provision of NHS care in a way that no previous Conservative Government had done. Labour's general election manifesto of 2010, which was written by the current Leader of the Opposition, said:

"We will support an active role for the independent sector working alongside the NHS in the provision of care".

Rather more surprisingly, given the nature of today's debate, the Labour manifesto also stated:

"Patients requiring elective care will have the right, in law, to choose from any provider who meets NHS standards of quality at NHS costs."

To reinforce that, it went on to promise to remove the private patient cap on foundation trusts. In addition, on 8 February 2010—at No. 10 Downing street, no less—the now Leader of the Opposition and the right hon. Member for Dulwich and West Norwood (Tessa Jowell), who I believe is a close personal friend of the right hon. Member for Leigh, hosted a meeting with non-NHS providers to examine their future role in delivering NHS services, among other public services. There is a certain irony and nerve in Labour's bringing this motion before the House tonight.

I remind Members of the benefits of extra income to the NHS, which are so clear as to be self-evident. Any and all money made by the NHS is returned straight into care, not to the Treasury. The principal purpose of NHS providers has always been to serve NHS patients, and that will not change. In fact, trusts say that changing the cap will help them do that better than ever. The Labour party knows that. In 2009, the then Health Minister, Mike O'Brien, said that to cap the number of private patients would be nothing but a sop to militant Labour MPs. It now seems, though, that they are all militant Labour MPs.

I know that he has not been the flavour of the month for a while now, but as none other than Tony Blair once said, the private sector

"has got a valuable role to play in delivering NHS services."

Even the right hon. Member for Kirkcaldy and Cowdenbeath (Mr Brown) called for greater use of the private sector.

I wish to take a second to look at the last Government's record on using the private sector. Through choose and book and through giving patients the right of the choice of provider, the number of patients treated as NHS patients in the private sector escalated. Under choose and book alone, the number of procedures increased from only 11 in 2000-01 to more than 208,000 10 years later. By May 2010, more than 7% of all NHS-funded

[Mr Simon Burns]

first out-patient appointments were booked with independent sector providers. In monetary terms, between 2006 and 2010, £12.6 billion was spent in the private sector on NHS health care.

Let us pick an example at random—say, independent sector treatment centre contracts. "Wonderful things", said Labour. "Cutting waiting times", it said. What happened? Private companies were paid even when they had not treated any patients; hundreds of millions of pounds were taken from the public purse and wasted; and the NHS was barred from competing with private companies, even if it could offer a better service. What is more, seven of those ISTC contracts were signed while the right hon. Member for Leigh was a junior Minister at the Department of Health—hardly a glorious record.

My hon. Friends and I had a while in opposition, and I know how uncomfortable the Benches on that side of the House are. They make people itch—itch to disagree with everything that is said by Government Members. However, I say to the right hon. Gentleman that it is wrong to scaremonger about the role of the private sector in the NHS. As he found out in government, because his Government greatly expanded that role, there is a responsible role for the private sector not at the expense of the NHS but working with it. On that basis, I urge my right hon. and hon. Friends to vote against the motion.

Question put.

The House divided: Ayes 234, Noes 321.

Division No. 423] **[9.59 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Danczuk, Simon
David, Mr Wayne
Davies, Geraint
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Durkan, Mark
Eagle, Ms Angela
Eagle, Maria
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
Jackson, Glenda
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCarthy, Kerry
McCrea, Dr William
McDonagh, Siobhain
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miliband, rh Edward
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morden, Jessica
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Dame Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Nick
Smith, Owen
Spellar, rh Mr John

Straw, rh Mr Jack
Stringer, Graham
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Walley, Joan
Watts, Mr Dave
Whitehead, Dr Alan
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Mr David Hamilton and Nic Dakin

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Amess, Mr David
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Benyon, Richard
Beresford, Sir Paul
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blackwood, Nicola
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, rh Mr Simon
Burrowes, Mr David
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Clappison, Mr James
Clarke, rh Mr Kenneth
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Edwards, Jonathan
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Sir Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hague, rh Mr William
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hancock, Matthew
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Hunt, rh Mr Jeremy
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Leech, Mr John
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lloyd, Stephen
Llwyd, rh Mr Elfyn
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McCartney, Jason
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mulholland, Greg
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Pawsey, Mark
Penning, Mike
Penrose, John
Perry, Claire
Phillips, Stephen
Pickles, rh Mr Eric
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Sir Bob

Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soames, rh Nicholas
Soubry, Anna
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swayne, rh Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, rh Sir Peter
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Ward, Mr David
Watkinson, Angela
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Hywel
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Greg Hands and Mark Hunter

Question accordingly negatived.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

IMMIGRATION

That the Accession (Immigration and Worker Authorisation) (Amendment) Regulations 2011 (S.I., 2011, No. 2816), dated 23 November 2011, a copy of which was laid before this House on 25 November, be approved.—*(Angela Watkinson.)*

Question agreed to.

Early Reading

Motion made, and Question proposed, That this House do now adjourn.—*(Angela Watkinson.)*

10.14 pm

John Healey (Wentworth and Dearne) (Lab): I am grateful for the chance to introduce this debate. I want to praise and promote the inspirational Imagination Library in Rotherham, thanks to which, each month, more than 13,600 young children receive a book sent directly to their home and addressed to them. I want to press the Minister to work with us to assess and fully evaluate the Imagination Library. In the meantime, I also want to press him to extend the scheme to three special groups of children who start life facing some of the biggest hurdles and who could benefit most from this scheme.

I am glad to see the Minister of State, Department for Education, the hon. Member for Bognor Regis and Littlehampton (Mr Gibb), in his place. If I had to choose one of the Education Ministers to answer the debate, it would be him. We might disagree with much of what he is doing, but I have watched closely over 18 months how thoroughly he has mastered what I regard as one of the big six Minister of State jobs. He and I were elected and entered the House together in 1997, which set me thinking this evening. In almost 15 years as an MP, one of the very best things I have done has been as a dad, when our son first went to primary school. Every Friday afternoon during that reception year, for nearly an hour at the end of Friday afternoons, I read with children in my son's class—one to one, outside in the corridor, perched on those small chairs. Some, at the start, could read fluently and had a big appetite for books, but we spent a whole month with one little girl teaching her to recognise two letters, an R and a D—the initials of her first and second names. The difference lay in what had happened to those kids at home before they came to school.

It hit home how important early reading was to giving a child a good start in life and at school—and the importance of learning at home, not just in school. As I have gone on and looked harder, it has become clear that this conclusion is strongly supported by academic studies as well as anecdotally. The Institute of Education did a report in 2008 into pre-school, school and family influence on children's development, and it noted that

"the quality of early years HLE (home learning environment) promoted intellectual and social development in all children"

and that reading at home was an important part of cultivating that environment.

What parents do is much more important than who they are. The Institute of Education report came to an important conclusion:

"The case study findings on pupils who 'succeeded against the odds' showed that what they had in common was higher scores on the early years home learning environment".

That evidence is borne out by the evidence of international studies as well, including some of the institute's own work comparing early years reading programmes across Europe. The Minister himself has recognised that. Last year, on the number of pupils who still did not reach the expected reading level at the age of 7 at key stage 1, he explained:

"It is vital that all children learn how to read early in their education"

and that

"we need to do more to ensure that our children have the skills as early as possible, to develop into confident, enthusiastic readers."—[*Official Report*, 24 March 2011; Vol. 525, c. 61WS.]

Given the clear link between early reading, the home environment, a child's development and successful learning, let us keep in mind this stark fact: one in three young people do not have books of their own. Last year, the National Literacy Trust, in "The Gift of Reading", a report that established that fact, underlined the importance of children having books that they see as their own and "the clear relationship between receiving books as presents and reading ability".

Teachers in Rotherham report that there are children who, without the books they receive from the Imagination Library, would have no books at home at all.

Gavin Shuker (Luton South) (Lab/Co-op): My right hon. Friend makes his case eloquently. I rise to speak not only as something of an early years reader myself, but as someone who has seen the work of the Imagination Library in action in my constituency in Luton. I know that he will speak about this, but I just want to mention the sponsorship given by Wates, the construction company, which worked with us on the Building Schools for the Future programme, the partnership with the local authority and the fact that kids in my constituency are getting 60 books by the age of five, growing with their learning and learning to love reading, which is making such a big difference in my constituency.

John Healey: My hon. Friend has been a strong supporter of the scheme in Luton right from the outset. I pay tribute to the council for helping it get off the ground, and to Wates and its foundation trust, as the Building Schools for the Future partner in the borough, for providing the funding to make that happen. I think around 2,000 children in Luton—but a number growing every month—are now receiving books in that way.

As Labour in government, we set up the Bookstart scheme, which took some useful steps in providing all young children with the opportunity—the gift—to read at home. However, the Imagination Library takes a running leap over the limitations of the Bookstart scheme by ensuring that all children, wherever they live and whoever they live with, regularly receive their own books directly at home. Something similar was first started in the United States by Dolly Parton, who has backed our book scheme in Britain. I am proud that the first Imagination Library in this country was set up in Rotherham, and is now run right across the area. I pay tribute to Roger Stone, our council leader, who took the idea forward with great vision and determination. As you know, Mr Speaker, my right hon. Friend the Member for Morley and Outwood (Ed Balls) is a good friend of mine. However, when I tried to see him while he was Education Secretary, it was less my links and more the fact that our council leader promised to bring Dolly Parton with him that opened the doors to his office on that occasion. Indeed, they report in the Department that the permanent secretary had never been so keen to attend a meeting with the Secretary of State—and, of course, have his picture taken with Dolly Parton.

I also pay tribute to Alison Lilburn, who now runs the Imagination Library in Rotherham for us, and to Natalie Turnbull, who runs the national Imagination Library, making the links with Luton and a small-scale scheme supported by primary schools in two wards in Wigan, as well as Scotland, where work is beginning through local authorities to ensure that every looked-after child has access to the scheme. In Rotherham, we now have more than 13,600 children, all aged between nought and five, receiving a book a month. Those signed up to the scheme at birth will have received their own library of 60 books in total by the age of five, as my hon. Friend the Member for Luton South (Gavin Shuker) said. Importantly, nine out of 10 of our Rotherham youngsters are signed up to the scheme, which goes from strength to strength each year. It has been running for four years now, but no child will have completed the full five years of the programme before the summer of next year, 2013. It is therefore still too early to draw conclusive evidence about its long-term effects.

However, Rotherham has seen a year-on-year improvement in young pupils achieving a good level of development at the foundation stage, with 50% in 2009 and 58% in 2011. Within that improvement, children enrolled in the Imagination Library have outperformed those who are not enrolled by more than 6.5%. Above all, our Rotherham scheme shows the power of a parcel arriving with a child's name on it and their own book inside. It sparks a kid's imagination from the very earliest age, giving every young child a better start in life and a better chance to read.

Teachers, parents and—most importantly of all—children love the scheme. It fires a desire in the child to read, but it often fires a determination to do so in the family as well. I was with a group of parents and their young kids in Rawmarsh about 10 days ago, and one of the dads was telling me how excited his son was whenever the postman arrived. He thought that every parcel was for him; it was like Christmas every month. One of the mums said that whenever her daughter got a new book, she would bring it directly to her and demand that she read it as soon as it arrived.

Some of the teachers across Rotherham report similar experiences. Anita Butcher is a lead teacher in one of our children's centres. She says:

"Many of the children in our area are brought up in low income homes where English is an additional language and parents have poor literacy skills. Without the Imagination Library gifting scheme it is very unlikely that these children would experience books within their home environment, leaving them at a distinct disadvantage when starting school."

Another of our lead teachers is Sarah Lyall. She counters the sense that we sometimes get that learning and education are purely instrumental, saying:

"Once this foundation to reading has been installed you have children on the right path to a whole world of imagination, awe and wonder."

Donna Mackinnon is the foundation stage co-ordinator at Wath Victoria primary school. She reports on the way in which the school has started to use some of the same books that the Imagination Library is sending to the children's homes, saying:

"The children started to talk to their parents/carers about how we had used the books and were then asking for them to be read at home. The book lending scheme at school is now used by significantly more children...This has developed directly from the Imagination Library texts being sent into the homes of our children."

What about the cost? The Rotherham Imagination Library, which is funded by the council, cost about £300,000 to run last year. The scheme costs £2 per child

[John Healey]

per month, and that covers the cost of the books and the postage. That is £24 for each child each year, or £120 over the full five years. Let us compare that to the average spending on each child in the country during their primary school years. Last year, it was £4,139.

I shall now turn to my direct asks for the Minister. First, I ask him to take a serious look at our Rotherham scheme and to work with us to evaluate fully its potential to be widely followed across the country. Secondly, I ask him to look hard at how the scheme could be extended, and to make a start by backing the young children who start life facing the biggest hurdles. They include children who are in care, babies born to mums who are in prison and children whose parents are serving in our UK armed forces.

Our experience and the academic evidence show that getting our kids to love reading often happens at home before school, but children in care can miss out on that. Once they fall behind, many never catch up. Long-term looked-after children's achievements are far lower than those of others. In this country last year, 58% of students—almost three in five—gained five A to C grades at GCSE, including English and maths. For children in care, however, the figure was one in eight. In March last year, there were 65,620 looked-after children in England, of whom one in five—about 18%—were under the age of five. With the cost at £2 per child per month, extending the Imagination Library to benefit every child under five in care could be expected to cost less than £300,000 for the books and postage. Of course, signing up the children would be straightforward, as local authorities are the legal guardians of looked-after children; this is what is being done in Scotland and it should now be done in England.

As far as mums in prison and their babies are concerned, there are seven special mothers and babies units in women's prisons around the country with a total capacity of 75 places. It is hard to get firm figures on the numbers born in prison each year, as many of the babies do not stay there long, but the Imagination Library would offer a small contribution to both the mother's and the child's start in life.

That brings me finally to forces children. Forces families move around a lot, with their children's education often disrupted by their parents' postings. Imagination Library books follow the kids, so the scheme is a great fit for the lives of service families. There are about 120,000 children whose parents are in our armed forces, most of whom live in the UK. If the proportion under five is similar to that in the general population, about one in four of those—about 30,000—will be armed forces children under five years old, so extending the benefit of the scheme to every child under five with a parent serving in the forces would cost about £750,000 a year. Indeed, the Education Secretary has recognised this special case, saying:

"Service children…face unique challenges and stresses."—[*Official Report*, 13 December 2010; Vol. 520, c. 71WS.]

He has pledged £200 a year as a pupil premium to the school of every such child. A much smaller sum—£120 over five years—would give all children in forces families a boost in the vital earliest years as babies and toddlers. I would like to see the Government make this extra modest effort to reward the extra sacrifice that forces families make for the rest of us. Ministers say that they are on the side of Britain's servicemen and women. Extending Rotherham's book scheme would be a simple way of showing it.

Finally, I would like to say to the Minister, "Come and see for yourself. We will make you welcome in Rotherham. You can meet Roger Stone, our council leader, and if you are serious about extending the scheme, we might even be able to arrange for you to meet Dolly Parton as well."

10.32 pm

The Minister of State, Department for Education (Mr Nick Gibb): I congratulate the right hon. Member for Wentworth and Dearne (John Healey) on securing this debate on a subject that could scarcely be more important, and thank him for his kind words in his introductory remarks. We entered the House at the same time in 1997—in the last century—and if I recall correctly, we agreed that we would pair for voting purposes. Alas, after 14 and a half years, this is our first pairing in the House—and it is a pleasure to be on the other side for this debate. I watched the right hon. Gentleman's ministerial career under the last Labour Government with huge admiration and not a touch of envy.

It is clear there are still too many children failing to learn to read properly. The figures speak for themselves: only 73% of all pupils on free school meals and only two thirds of boys eligible for free school meals achieve the expected standard in reading at key stage 1; more than 83,000 seven-year-olds achieved below level 2 at key stage 1 this year; and one in five 11-year-olds leave primary school still struggling with reading. Even worse, 9% of 11-year-old boys achieve only level 2 or below at key stage 2, which means a reading age of seven or younger.

Looking just at white boys eligible for free school meals, 60% are still not reading properly at the age of 14, and the reading ability of GCSE pupils in England is more than a year behind—this is right across the age group population—the standard of their peers in Shanghai, Korea and Finland, and at least six months behind those in Hong Kong, Singapore, Canada, New Zealand, Japan and Australia. Overall, over the last nine years, England has fallen in the programme for international student assessment tables from 7th to 25th in reading.

We know that children who cannot read are more likely to become disengaged and behave badly in school, creating a vicious circle of underachievement and isolation. A recent report by the Centre for Social Justice showed that between half and three quarters of children permanently excluded from school display significant literacy problems. As the author of that report said,

"many display challenging behaviour to hide the fact that they cannot read."

There are still too many children who grow to adulthood without learning the basic literacy skills they need to be successful in their adult lives. Army recruiting officers recently revealed that hundreds of would-be soldiers are being turned away because they cannot pass the most basic literacy and numeracy tests as they do not have a reading age above that of an 11-year-old. As a report by Civitas has stated:

"Weak reading lies at the heart of the educational apartheid between the advantaged and disadvantaged, and England's low social mobility. The inability to read properly is the single greatest handicap to progress both in school and adult life."

Tackling literacy is an urgent priority for this Government. We are determined to improve the teaching of reading in primary schools and to help all children from all backgrounds to become fluent and enthusiastic readers and to develop a lifelong love of reading—and that is not just a Government priority. A range of charities and organisations are doing excellent work in supporting literacy and encouraging children to read. Tesco now provides books as part of its vouchers for schools initiative, and only last week McDonald's and the publisher HarperCollins announced that they are linking up to give away copies of Michael Morpurgo's "Mudpuddle Farm"—which I have not read, I hasten to add—with children's meals.

We welcome initiatives that make it easy for children and parents to access and share good books and that encourage them to read more. Anyone who cares about reading should welcome that approach. I congratulate the right hon. Gentleman on the work he has being doing personally in Rotherham to promote reading and on the work he is doing with the Imagination Library. I also thank the Imagination Library for what it is doing around the country.

The Government fund the book gifting programme delivered by Booktrust to the tune of £7.5 million. That programme gives books to all families with children of six to 12 months as well as to three to four-year-olds and four to five-year-olds. The books come with advice about sharing books and about stories and rhymes. In 2012, it will reach more than 2.5 million babies, toddlers and children. We will continue to reflect on the appropriate shape of book gifting in the coming years in terms both of the models of delivery and of the groups that can benefit the most. Local authorities remain free to work with book gifting schemes such as the Imagination Library and Letterbox Club to provide the support that they consider is most appropriate to their community's needs.

I listened very carefully to the right hon. Gentleman's speech and I will look at the evaluation of the Rotherham Imagination Library programme. Cost is of course a factor in the current climate. A quick calculation based on the figures he presented shows that his £300,000 would extrapolate to roughly £45 million a year, which is not an insignificant sum in the current climate. However, I would like to take up his invitation to return to Rotherham. I stood for election there in 1994 with mixed success, and it would be a pleasure to return and see the scheme in action. Any scheme that can promote a lifelong love of books and reading is hugely valuable, and we will say more about this issue and how to develop that lifelong love of reading in the coming year.

For children to love reading, they must be able to read. That is why we are placing such strong emphasis on promoting the use of systematic synthetic phonics, which international evidence has shown to be the most effective way for children to learn to read. Synthetic phonics is equally effective for children of all abilities, from all backgrounds and for boys and girls alike. We also know that it is a necessary but not sufficient condition for success in reading. It should be taught as part of a language-rich curriculum, so that children can develop their vocabulary and comprehension at the same time. Grasping the mechanics of reading early on *allows children to go further and to begin to read* quickly with comprehension and understanding.

To ensure that children have that building block, from June, a year 1 phonic screening check will help teachers to confirm whether individual pupils have grasped the fundamental skill of phonic decoding, and will identify which children may need extra help. The check will consist of a list of 40 words and non-words that a child will read one to one with their teacher. The pilot for the check took place last year in around 300 schools across the country. It was independently evaluated by a team from Sheffield Hallam university, and showed that three quarters of the schools taking part felt that the check assessed phonic decoding ability accurately, while the vast majority of schools—90%—thought that most aspects of the check's content were suitable for their pupils. Most important, half of the pilot schools indicated that the check had helped them to identify pupils with phonic decoding issues of which they were not previously aware. The check will provide a national benchmark for phonic decoding, allowing schools to judge their performance on a local and national level.

Only 32% of pupils in the pilot for the screening check met the expected standard, which was set by teachers themselves. That shows that some schools will benefit from reviewing their phonics teaching to make sure it is systematic, with sufficiently high expectations being set for their pupils. It will also help to give parents confidence that their child has learned this crucial skill, reflecting research that found that 73% of parents thought a year 1 reading check was a good idea.

To support teachers before the check, and so that all schools have access to high-quality resources, we have introduced match funding of £3,000 per school. That funding, together with our new catalogue of well respected phonics products and training, will support schools in choosing and purchasing the appropriate resources for their pupils. We are considering running a new procurement process for inclusion in an updated catalogue in the spring.

To ensure that teachers have the necessary skills and training, we have reviewed, under Sally Coates, the qualified teacher status standards. It is now an explicit requirement that teachers of early reading should demonstrate a clear understanding of the theory and teaching of systematic synthetic phonics. As a consequence, the Training and Development Agency for Schools, together with the Universities Council for the Education of Teachers, is working to ensure that all university teacher training faculties are improving the training of teachers in this area. I listened with interest to what the right hon. Gentleman said about his experience of a primary school teaching a child the basic sounds of the alphabet, which is a key part of learning to read, with no exposure to literature and books at home.

Finally, Ofsted has published a new inspection framework that draws a closer link between teacher quality and the overall grade schools receive. That new way of inspecting schools will allow Ofsted to spend more time in the classroom, and I am very pleased that, for the first time, Ofsted inspectors will listen to pupils reading aloud to check their rate of progress, with a particular focus on the weakest readers in the school.

We hope that those measures will help all children to master the essential and life-changing skill of turning *words on the page into images, information and ideas in* their heads. Nothing could be more important than

[Mr Nick Gibb]

children developing a lifelong love of reading. I pay tribute to the right hon. Gentleman for the work he is doing in Rotherham, and I look forward to joining him there in a few months.

Question put and agreed to.

10.43 pm

House adjourned.

House of Commons

Tuesday 17 January 2012

The House met at half-past Two o'clock

PRAYERS

BUSINESS BEFORE QUESTIONS

LONDON LOCAL AUTHORITIES BILL [*LORDS*] (*BY ORDER*)

Further consideration of Bill, as amended, opposed and deferred until Wednesday 25 January at Four o'clock (Standing Order No. 20).

LONDON LOCAL AUTHORITIES AND TRANSPORT FOR LONDON (NO. 2) BILL [*LORDS*] (*BY ORDER*)

TRANSPORT FOR LONDON (SUPPLEMENTAL TOLL PROVISIONS) BILL [*LORDS*] (*BY ORDER*)

Second Readings opposed and deferred until Tuesday 24 January (Standing Order No. 20).

Oral Answers to Questions

FOREIGN AND COMMONWEALTH OFFICE

The Secretary of State was asked—

Shaker Aamer

1. **Jane Ellison** (Battersea) (Con): What recent progress he has made towards securing the release of Shaker Aamer from Guantanamo Bay. [89805]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): The British Government remain committed to securing Shaker Aamer's release and return to the United Kingdom. I raised his case again with Secretary Clinton during my visit to Washington on 12 December. My officials are currently exploring the new US legislation on detainee transfers for the implications for this case.

Jane Ellison: I thank the Foreign Secretary for that answer and for the continued efforts of the Government on Mr Aamer's behalf. Obviously, it has been 10 years so I wonder whether the Foreign Secretary could say more to the House about what he considers to be the roadblocks to release and whether he has given any consideration to asking international bodies, such as the United Nations, to support the British Government in their efforts to release Mr Aamer.

Mr Hague: This is a matter for the United States, not for international authorities. My hon. Friend is aware of the difficulties; there have been no transfers out from Guantanamo since the National Defence Authorisation Act, passed in 2010, all but precluded transfers from Guantanamo Bay. The Act has recently been renewed for 2012, with some amendments, which is why we are looking at its implications. We have asked about Mr Aamer's health and welfare, and have been assured that he is in reasonable health, has access to medical treatment and is not held in solitary confinement.

International Conference on Afghanistan

3. **Susan Elan Jones** (Clwyd South) (Lab): What assessment he has made of the outcome of the International Conference on Afghanistan in Bonn; and if he will make a statement. [89807]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): The Bonn conference, which I attended last month, reaffirmed the international community's long-term commitment to Afghanistan after 2014, through economic support, a plan for funding the Afghan national security forces and a clear set of principles for reconciliation. The Afghan Government committed themselves to progressing their development priorities and upholding their human rights obligations.

Susan Elan Jones: I am grateful to the Foreign Secretary for his response. Can he tell us what steps the Government are taking to ensure that women's human rights are maintained when UK and US troops are drawn down?

Mr Hague: We gave a great deal of attention to that at the Bonn conference. The ministerial champion for tackling violence against women and girls overseas attended the civil society events, and I am pleased to say that 50% of the Afghan delegation to the civil society forum were female and a leading female civil society representative presented views at the main conference. The importance of the rights of women and their involvement was centre stage at the Bonn conference, and we assisted in that process.

Richard Ottaway (Croydon South) (Con): The Government's stated policy objective in Afghanistan is to deny al-Qaeda and other extremists bases from which they can attack the UK and other British interests. In a letter to me of 6 December, copied to the Foreign Secretary and the Prime Minister, the Chairman of the Intelligence and Security Committee, referring to the threat from al-Qaeda, said that

"while the threat is not on the scale it once was…it does nevertheless remain a serious concern."

Does that, which can only be interpreted as a downgrading of the threat in Afghanistan, have any impact on the timetable for withdrawal?

Mr Hague: We hope all the time that we are making progress against the threat in Afghanistan, and there is no doubt that in recent times al-Qaeda has suffered very serious damage and setbacks in Afghanistan and its vicinity. That threat is not over, as my hon. Friend was saying, but our efforts to improve security in Afghanistan continue, and it is a combination of our assessment of that threat and the need for continued political progress in Afghanistan to stabilise its regions. It is our assessment of a combination of all those factors that leads to our decisions on troop levels, with a decision for 2012, which we recently announced.

Dr Julian Lewis (New Forest East) (Con): The developmental teams that will remain after the British military ceases operations in Afghanistan are in danger of becoming top targets for insurgents. Did my right hon. Friend receive any indication from his American counterparts that they envisaged retaining some military capability in strategic bases in Afghanistan after 2014?

Mr Hague: The military position after 2014 is under discussion. Indeed, I discussed it this morning with General Allen, commander of the international security assistance force, and important decisions will be made at the NATO summit in Chicago in May next year. We do not envisage that development work in Afghanistan will be without security after 2014. As my hon. Friend knows, we are building up Afghan forces, which are several hundred thousand-strong, in addition to the potential for military co-operation from other states. The position on that will become clearer after the NATO meeting in Chicago.

Jim Shannon (Strangford) (DUP): The threat from al-Qaeda and the training that takes place in Pakistan is high. What discussions has the Foreign Secretary had with the Pakistani authorities to reduce the threat of al-Qaeda crossing the border into Afghanistan?

Mr Hague: We are always in discussion with Pakistan about that subject, and I have many discussions with the Pakistani Foreign Minister about it. We have regular contact at military level, as well as between the Prime Minister of our country and the Prime Minister of Pakistan. Pakistan's own long struggle against terrorism is always high on that agenda, and we should recognise the efforts that it has made in that regard: huge numbers—perhaps 30,000 people—have died as a result of terrorist activity in Pakistan over the past 10 years. We look to Pakistan to maintain those efforts.

National Emergency

4. **Mr Peter Bone** (Wellingborough) (Con): What his role would be in a national emergency. [89808]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I would support the Prime Minister and the Government in their response, particularly in an international dimension.

Mr Bone: The Foreign Secretary might have a problem with that. Is it true that under Government contingency plans if the Prime Minister were killed in a terrorist attack it would be the Foreign Secretary who took charge of the Government until the Queen could choose a new Prime Minister?

Mr Hague: I can assure my hon. Friend that continuity of government plans are in place to deal with any catastrophic destabilising incident. I know that he has asked the same question of my right hon. Friend the Defence Secretary, and the answer is the same: we do not consider it appropriate to talk about these plans in public, but I can assure him that arrangements are in place for any such contingency. I cannot guarantee that there will be a place in the bunker for Mrs Bone, I am afraid.

EU Economy

5. **Anne Marie Morris** (Newton Abbot) (Con): What assessment he has made of the implications for his Department of economic conditions in the EU. [89809]

16. **Mr Mark Spencer** (Sherwood) (Con): What assessment he has made of the implications for his Department of economic conditions in the EU. [89820]

The Minister for Europe (Mr David Lidington): The crisis in the eurozone is having a chilling effect throughout Europe, which is why this Government are arguing vigorously within the European Union for action to promote growth by deepening the single market, boosting trade and cutting red tape.

Anne Marie Morris: I thank the Minister for his response. Does he agree that it is important that policies are enacted at EU level to encourage economic growth? Measures designed to help drive sustainable economic recovery, such as exempting micro-businesses from the burden of red tape, would have positive implications for all Government Departments across the 27 member states, including his own.

Mr Lidington: I agree completely with my hon. Friend, which is why the agreement at the December European Council for an exemption from European regulations for micro-business was particularly welcome, especially as that will apply not only to new European legislation but will prompt a review of the existing acquis in respect of micro-businesses.

Mr Spencer: Can the Minister assure the House that the principles of the Prime Minister's veto will be followed through, and that any attempt by the EU to impose a tax on this country's financial services will be vigorously resisted?

Mr Lidington: A financial transfer tax would require unanimous agreement by all 27 member states, which is something that the single market Commissioner, Monsieur Barnier, has confirmed to me. The Prime Minister has made it clear that we would not agree to the imposition of such a tax.

Mr Ben Bradshaw (Exeter) (Lab): What assessment has the Minister made of the impact on the EU economy of the recent behaviour of the Hungarian Government? Has he reminded that Government that there is an expectation that all EU members adhere to normal democratic norms?

Mr Lidington: We are certainly concerned about any developments in other EU member states which might lead to even greater economic instability than we currently see. I have talked about the concerns expressed in a number of quarters with regard to Hungarian legislation with my Hungarian opposite number and with the Commission. As the right hon. Gentleman may know, the Commission is due to release the results of its assessment about now. The Hungarian Government have said that they will consider carefully and constructively the comments that the Commission makes, whatever they are, and I believe that that is the right way forward.

Emma Reynolds (Wolverhampton North East) (Lab): It has been reported that the Foreign Secretary advised the Prime Minister before the European Union summit in December that if it is a choice between keeping the euro together or keeping the Conservative party together, it is in the national interest to keep the Conservative party together. Can the Minister confirm that the Foreign Secretary regards the unity of his party as more important to the national interest than the success or failure of our largest trading partner?

Mr Lidington: I really had hoped that the hon. Lady would have something a bit better to say than that. What the Government are determined to do is to support our allies and neighbours in the eurozone in their efforts to restore economic stability to their currency union, and also to press for the measures to promote job creation and economic growth which the whole of Europe desperately needs. We are not prepared to take lectures from the Labour party that signed away £7 billion of the British rebate and denied the people of this country the referendum on the Lisbon treaty, which it had promised.

Mr John Redwood (Wokingham) (Con): Does the Minister agree that the gloom about the consequences of an early break-up of the euro has been greatly exaggerated, bearing in mind the very positive economic experience for eastern European countries from the break-up of the rouble zone—very similar to the euro—in the early 1990s?

Mr Lidington: I have to say that it is unusual to find my right hon. Friend looking to the example of the former Soviet Union for inspiration. We have looked across Government very carefully at what the consequences of a eurozone break-up might be, and one of the key differences between now and 20 years ago is that the economies and the financial systems of Europe are much more closely interlinked now than they were then. It is certainly our judgment that it would be damaging to the British national interest were a collapse of the eurozone or a prolonged recession in the eurozone to take place.

Kelvin Hopkins (Luton North) (Lab): The credit ratings of a number of eurozone states have been downgraded this week. The bail-out fund is now considered to be far too small to do its job. Mario Monti, Italy's unelected Prime Minister, said yesterday that there would be a backlash against austerity unless Germany provides more support to Italy. The crisis becomes deeper every day. Is it not the case that recovery for many of those countries can come only when they can recreate national currencies, devalue and start to grow again?

Mr Lidington: With respect to the hon. Gentleman—his views on the subject are utterly consistent and I respect them—that is a matter for the peoples and Governments of those sovereign countries. From our point of view, what is needed is for the eurozone countries to implement in full the deal that they agreed to in October last year, and for Europe collectively at 27 to move forward urgently with deepening the single market, boosting global trade and cutting red tape and regulation on our businesses. That is the way to growth and jobs.

Brazil

6. **Jo Swinson** (East Dunbartonshire) (LD): What recent assessment he has made of the effect on bilateral relations with Brazil of that country having overtaken the UK as the sixth largest economy. [89810]

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): The continued rise and success of emerging powers like Brazil present a great opportunity for our bilateral relationship. This Government have already shifted resources there. The Foreign Secretary will be leaving this evening for a visit to Brazil. In November I opened a new consulate-general in Recife in Brazil's fastest growing region.

Jo Swinson: With the world's fifth largest population and sixth largest economy, Brazil is an important economic power and a key market for expanding British trade, so the Foreign Secretary's visit is welcome. It is also an increasingly important diplomatic power, so what can the Government do to encourage Brazil to play a positive leadership role on global issues such as climate change, human rights and democracy?

Mr Browne: That precise point will be central to the Foreign Secretary's talks with the Brazilian Foreign Secretary in Brasilia tomorrow, but as an illustration of the seriousness with which we treat this relationship, let me tell the House that last year there were 14 ministerial visits to Brazil, whereas in the previous three years combined there were just 10 ministerial visits. So we are affording Brazil four times the amount of ministerial attention that the previous Government did.

Geoffrey Clifton-Brown (The Cotswolds) (Con): Does my hon. Friend agree that our trade at £5.2 billion in 2010 offers scope for considerable increase? What more can his Department do, particularly through UK Trade & Investment, to forge better links with the Brazilians in order to increase that trade?

Mr Browne: I agree with my hon. Friend's point. The economies of Latin America and Asia are growing fast and becoming increasingly important, which is why the British Government are determined to double trade with Brazil in the lifetime of this Parliament and why we are expanding the network of diplomatic and trade staff across Brazil, including opening a new consulate-general in the north-east of the country in November.

Middle East

7. **Diana Johnson** (Kingston upon Hull North) (Lab): What recent discussions he has had with representatives of the Palestinian National Authority on rocket attacks on Israel. [89811]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I met the President of the Palestinian Authority yesterday. We are extremely concerned about the recent escalations of violence, including Israeli air strikes on Gaza and rocket attacks by Palestinian groups on Israel. We condemn any actions in which civilians are hurt or killed and have called on all sides to show restraint and avoid a spiral of retaliation.

Diana Johnson: I am grateful to the Foreign Secretary for that response. In order to move to a two-state solution in the region, did he stress in his conversations yesterday the importance for Palestinian unity of recognising the Israeli state and bringing an end to the rocket attacks?

Mr Hague: Of course, that is extremely important, particularly when one considers the number of rocket attacks—it is reported that 758 rockets were fired from Gaza at Israel in 2011. We certainly discussed Palestinian reconciliation and the fact that any Palestinian Authority constituted as a result must be able to work with Israel towards a two-state solution. I strongly welcomed the initiative of His Majesty the King of Jordan in bringing Palestinians and Israelis together in recent weeks for discussions. That is a positive development that we want to see continue.

Robert Halfon (Harlow) (Con): I welcome my right hon. Friend's reply to the previous question. With Hamas raining many hundreds of missiles upon Israel, can the Government do more to try to stop weaponry being smuggled through tunnels into Gaza, and does he agree that the more missiles come over, the harder it is to make peace?

Mr Hague: My hon. Friend is absolutely and very evidently right that that does not help peace or the two-state solution that we all so urgently want to see. We call again for such rocket attacks on Israel to end.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): I welcome the fact that the Foreign Secretary met the Palestinian President yesterday. In my later discussions with the President, he was at pains to emphasise the urgent need to make substantive progress in the coming days in the negotiations that the Foreign Secretary mentioned are taking place in Jordan. In the light of this urgency, when did the Foreign Secretary last speak with his Israeli counterpart and what steps are the British Government taking to ensure that ongoing Israeli settlement expansion is not allowed to be a reason for these crucial talks to be derailed?

Mr Hague: I also spoke yesterday to the Israeli Government, to the Deputy Prime Minister, Mr Meridor—I speak sometimes to him and sometimes to my counterpart, Mr Lieberman. On this occasion I called Mr Meridor to stress the need for Israel to respond positively in the negotiations and put forward its own proposals, and I made the case, as I have often done in this House, that Israel needs to make a more decisive and generous offer than we have seen for some years in order to be able to make progress. The Israeli Government are in no doubt about our views and we urge both sides to continue with these talks and not to be so wedded to the 26 January deadline that the opportunity to continue the talks is lost.

Mr Alexander: I welcome the tenor of yesterday's conversation with Deputy Prime Minister Meridor. In an earlier answer the Foreign Secretary mentioned the reconciliation process within the Palestinian community. Alongside the immediate prospects for the latest round of talks, will he give the Government's assessment of the possible implications of a deal reached between Hamas and Fatah? Given Hamas's stated position on Israel and the peace process, will he also give an undertaking that any internal political agreement reached within the Palestinian community needs to be assessed in terms of the external political implications on the prospects for peace in the wider region?

Mr Hague: I agree with that. As I said in answer to an earlier question, it is very important that the Palestinian Authority are constituted in a way that allows them to conduct negotiations with Israel. That includes, importantly, recognising the previous agreements entered into by the Palestine Liberation Organisation, and that is a key point, so we hope that that will be continue to be the position of the Palestinian Authority. Of course, reconciliation is meant to pave the way for elections among Palestinians, and we cannot at this stage pre-judge or predict the outcome of those elections.

Andrew Percy (Brigg and Goole) (Con): The Foreign Secretary is right to call for temperance on all sides, but does he agree that it is unacceptable for senior officials and members of the Palestinian Authority to continue to attend cultural events at which individuals call for the end of the state of Israel, and that it is wrong for those officials to support sporting events named after "martyrs"—people who have murdered innocent Israeli citizens?

Mr Hague: We do not support any delegitimisation of the state of Israel. We are friends of Israel, and we support the right of Israel to exist in peace and security, but we believe that that peace and security is best served by urgent moves towards a two-state solution, and that always guides our policy.

Middle East

8. **Mrs Linda Riordan** (Halifax) (Lab/Co-op): If he will make representations to the Government of Israel on the increase in demolition of Palestinian homes in the west bank in 2011. [89812]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): I do make representations on the demolition of homes, and I will continue to do so. I was in Israel and the occupied Palestinian territories last week, and it gave me an opportunity to see some of those who are subject to demolition orders, including the Bedouin community outside Jerusalem, and to visit such people in the Negev as well. I had the opportunity also to raise those issues directly with Israeli Ministers.

Mrs Riordan: Is the Minister aware that the number of Palestinian homes demolished by the Israelis last year rose by 38%, and that the number of displaced Palestinians doubled? Does he agree that that is hardly the sign of a Government intent on peace settlements on the basis of the 1967 borders, and that it would send a signal to the Israelis if the UK Government supported the Palestinian bid to join the United Nations?

Alistair Burt: On the first part of the hon. Lady's remarks, I am very conscious of the numbers, as indeed are many Members because of the representations that have been made to us. It is a very serious issue, which we

take up regularly with the Israeli authorities. The movement and settlement of people is a hugely divisive political issue, and it is one reason why we have pressed both sides to move towards a settlement, because that is the only thing that will ultimately ensure that all those who live in Israel and in the Palestinian territory can live in peace and security.

Sir Menzies Campbell (North East Fife) (LD): Does my hon. Friend accept that the demolition of Palestinian homes and the continued construction of settlements on the west bank, not to mention the construction of new houses in East Jerusalem, will make it increasingly difficult to establish a viable Palestinian state and, in turn, make it impossible to reach a two-state solution?

Alistair Burt: I share the right hon. and learned Gentleman's concerns, and that is why we have repeatedly made clear to all our view that we regard illegal settlement building as contrary to the interests of peace building. It is a matter that must be addressed. It is vital to the division of land in the area, and that is why we constantly raise it.

Simon Danczuk (Rochdale) (Lab): How many Israeli settlements does the Minister think need to be built on Palestinian land before the chance for peace is destroyed?

Alistair Burt: The numbers are not a matter for the United Kingdom. What we do say, and say very clearly, is that building on occupied Palestinian land is illegal in international law and has been held to be so in some cases by Israeli law. That is why we regard the issue as an obstacle to peace, unless it is dealt with. It is vital that it is part of the negotiations, and that is why we wish very well the current efforts being made in Amman.

Mr Rob Wilson (Reading East) (Con): Following the recent leaked internal EU report expressing concerns about the west bank, will my hon. Friend make it clear to the Israeli Government—and I understand that there is fault on both sides—that the construction of housing units in and around Jerusalem is counter-productive to the peace process?

Alistair Burt: The issue of East Jerusalem is particularly difficult. For there to be a viable two-state solution and a shared capital, it is essential that East Jerusalem retains its Arab character. That is why we are so concerned about the settlement building there. The Government of Israel are well aware of our concerns, which we make very clear. I repeat to the House that, as we all know, this matter must be included in the overall settlement, the basics of which we hope are being discussed by the parties with great intent in Amman at the moment.

Richard Burden (Birmingham, Northfield) (Lab): Last week, Israeli forces cut off access to the village of Khan al-Ahmar, a Bedouin community just outside Jerusalem where a school was built using international donations. Is that an example of something that must be unacceptable? Given the international character of Khan al-Ahmar, what representations can the UK Government make to get the Israeli Government to change their mind on the matter?

Alistair Burt: By happenstance, I was at the village and saw the obstruction of access take place. It was an unannounced visit as far as the authorities were concerned. Effectively, an Armco barrier was built across the access road that leads to a major highway. It was not immediately clear where the alternative access could be, except via a hill with an extremely steep gradient behind the village. That very lunchtime, I was able to make representations to the Israeli Deputy Foreign Minister, Danny Ayalon, about the circumstances. This is precisely the sort of thing that raises concerns among the international community and makes it difficult for the Bedouin in that area to feel secure.

Russia

9. **Mr Dominic Raab** (Esher and Walton) (Con): What steps he plans to take in response to recent reports of human rights abuses by the Government of Russia. [89813]

The Minister for Europe (Mr David Lidington): We will continue to raise concerns about human rights with Russia at ministerial and official levels. We shall sponsor a number of observers at the forthcoming Russian presidential election that is due in March.

Mr Raab: I thank the Minister for that answer. With the US Senate due to approve the bipartisan Magnitsky Bill, which will impose mandatory visa bans and asset freezes on those responsible for gross human rights abuses, and with similar proposals in the Netherlands and Canada, will he look at the case for bringing forward an equivalent Bill in this House?

Mr Lidington: As the Under-Secretary of State for Foreign and Commonwealth Affairs, my hon. Friend the Member for North West Norfolk (Mr Bellingham) said in response to my hon. Friend the Member for Esher and Walton (Mr Raab) in Westminster Hall the other day, if the American Bill, which I understand is at committee stage in the Senate, eventually becomes law, we will look closely to see whether there are lessons on which we might draw. My hon. Friend will know that we have powers in this country to ban any person from coming to the United Kingdom if there are grounds for concern about their character, conduct or associations.

Tony Lloyd (Manchester Central) (Lab): When the Minister is making representations in Moscow about human rights in Russia, will he raise with the Russians, who have a pivotal role at the United Nations, the human rights abuses in Syria, because if Russia unblocked its present position at the United Nations, it would allow real pressure to be brought on the Syrian regime?

Mr Lidington: The hon. Gentleman makes a very good point. We obviously talk a great deal to Russia about the situation in Syria. My right hon. Friend the Foreign Secretary, within the past few weeks, has talked to Foreign Minister Lavrov about Syria, including to pass on our great concern about the systematic abuse of human rights in that country.

Sir Malcolm Rifkind (Kensington) (Con): Although the respect for human rights in Russia may be considerably greater than in it was in the Soviet Union, does not the terrible treatment of Mr Magnitsky, his death in custody and the refusal of the Russian authorities to recognise

responsibility for what happened suggest that my right hon. Friend the Minister should follow the advice of my hon. Friend the Member for Esher and Walton (Mr Raab) and not wait until the United States has reached its conclusion, but do everything in our power to follow a similar course of action?

Mr Lidington: As my right hon. and learned Friend knows, we have powers in existing law to ban people from coming to this country on the grounds that their presence would not be conducive to the public good. He also knows that successive Governments have followed a practice of not commenting on individual cases. His concerns about the abuse of human rights in Russia are, however, well made. That is why my right hon. Friend the Prime Minister and all Ministers, when they meet Russian counterparts, always make a point of raising human rights matters.

Colombia

10. **Yvonne Fovargue** (Makerfield) (Lab): What representations he has made to the President of Colombia on protection for trade unionists and human rights activists in that country. [89814]

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): My right hon. Friends the Prime Minister, the Deputy Prime Minister and the Foreign Secretary discussed human rights with President Santos during his visit to the United Kingdom in November. I chaired a discussion between the President and non-governmental organisations, which included the security of human rights defenders in Colombia, and the President reiterated his commitment to improving Colombia's human rights situation.

Yvonne Fovargue: There is real concern that people are still being imprisoned in Colombia for trade union activity. What assessment has the Minister made of that situation, and what representations have been made?

Mr Browne: I share the hon. Lady's observation that there are real concerns about human rights abuses in Colombia. We do not pretend otherwise, and we actually spend a lot of time and money on trying to improve the situation. The President has made that point, and he acknowledges our concerns. It is fair to recognise that improvements have been made in recent years, but many further improvements still need to be made and we are actively working to try to bring them about.

Mark Pritchard (The Wrekin) (Con): Is it not the case that the greatest human right of all is the right to life and that under the Administration of President Uribe and now that of President Santos the demobilisation of the FARC guerrilla group, reducing it from tens of thousands to 9,000 today, has brought about a new era of peace and prosperity in Colombia that is good not only for Colombia but for Latin America and for our bilateral relations?

Mr Browne: My hon. Friend makes a valid point. The murder rate in Colombia has fallen dramatically. It is still very high by European standards, but it is nevertheless a lot lower than it previously was. I am delighted that the Colombian President signed a joint declaration on human rights when he was in London a couple of months ago, and we had the opportunity to talk about how we can enhance Colombia's prosperity and trade opportunities, which are also important for its development.

Tunisia

11. **Mr Frank Roy** (Motherwell and Wishaw) (Lab): What support the Government are giving to the development of democracy in Tunisia. [89815]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): Having delivered bilateral support in Tunisia during the election process through help on voter outreach and through the United Nations Development Programme generally, the United Kingdom continues through its Arab Partnership to support efforts to rebuild democracy and freedom of expression in Tunisia and strengthen economic reform.

Mr Roy: The Minister will be aware that local governors have been replaced by unelected governors in Tunisia. What efforts can be made to bring about local as well as national democracy there?

Alistair Burt: It is a good line. The Arab Partnership is interested in working with the Tunisian authorities on what they are looking for by way of re-establishing government. It enables us to draw on resources right across the UK—for example, institutions, NGOs and organisations such as the Local Government Association —that have expertise to offer. The hon. Gentleman certainly makes an interesting suggestion. It has not been raised directly with me in my visits to Tunisia, but I will certainly take it back with me.

Pete Wishart (Perth and North Perthshire) (SNP): Anybody who has been to Tunisia recently will have been impressed by the enthusiasm for the new democracy and the ideals of the revolution, but many challenges remain, particularly in the economy. What material resources and assistance are the UK Government therefore giving the constituent assembly in the drafting of the new constitution?

Alistair Burt: The hon. Gentleman is absolutely right to put the focus on the economy. When we talk about the changes that have taken place in the Arab world we concentrate on the political, but unless the economics are right they will undermine the political changes that have been made. The UK provides support multilaterally through the G8, the Deauville partnership and the European neighbourhood partnership, and we have offered support for capacity building right across the board, including on constitution drafting and issues affecting economic reform.

Ian Lucas (Wrexham) (Lab): Loathing of corruption was the immediate catalyst of the Arab spring, but the Tunisian Association for Financial Transparency states that the British Government need to do more to assist the current Tunisian Government by providing information, particularly about finance in the British overseas territories and the transactions of the previous Tunisian Government. What discussions has the Minister had with the current Tunisian Government about access to the British overseas territories and their finances?

Alistair Burt: I have had no discussions in the terms that the hon. Gentleman mentions, but I know that one part of the assistance that we are already actively providing is to the anti-corruption unit in the Tunisian Government. It has already taken advice and support from the UK on that matter. I will consider what the hon. Gentleman says specifically about the overseas territories, but so far that issue has not been raised with Ministers.

Burma

12. **Mr Sam Gyimah** (East Surrey) (Con): What assessment he has made of political progress in Burma; and if he will make a statement. [89816]

14. **Dr Julian Huppert** (Cambridge) (LD): What assessment he has made of his recent visit to Burma; and if he will make a statement. [89818]

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): I draw the House's attention to the written statement on my visit to Burma, which was published yesterday. Last week, the Burmese Government and the Karen National Union signed a historic ceasefire. The following day, there was a significant release of political prisoners, which will contribute to greater democratic participation in the parliamentary by-elections. If that momentum can be maintained, we are clearly moving into a new phase in our relations with Burma.

Mr Gyimah: As my right hon. Friend says, the release of 651 political prisoners by the Myanmar Government is a major political statement and certainly one that is to be commended. What confidence does he have that all political prisoners will be released in time for the elections in April this year?

Mr Hague: The importance of the timing of last week's announcement is that yesterday—16 January—was the date for any candidates to register to participate in the 1 April elections in Burma. The release of so many prisoners is therefore an important move ahead of those elections.

My hon. Friend is quite right to ask about other political prisoners. Our assessment is that of the 651 prisoners released on Friday, between 270 and 283 could be considered political prisoners. That means that political prisoners remain, although it must be said that there are definitional disputes over what a political prisoner is between the Burma Government and opposition groups. However, we of course look for the release of all political prisoners in Burma while welcoming that move as a major step forward.

Dr Huppert: All Members of the House support the release of the political prisoners and share the concern that there are still so many. However, I understand that the released prisoners have not been pardoned, but simply had their sentences suspended. What assurances has the Foreign Secretary had that they will be pardoned and kept out of prison rather than being re-arrested shortly?

Mr Hague: My hon. Friend is quite right about the details, although that seems to be the effective way for the President of Burma to secure the release of the prisoners—the laws allowed him to act decisively to release a large number of prisoners. Of course, let me make it absolutely clear that the improvement in relations between Burma, our country and many other countries would come to a very rapid halt and go into reverse were those prisoners to be taken back into custody, but the President of Burma said to me when I was there 10 days ago that Burma's progress to democracy is irreversible, and all the Ministers I met said that all political prisoners would be released.

Meg Munn (Sheffield, Heeley) (Lab/Co-op): Although I welcome the changes and developments with the Karen people, they are far from the only ethnic minority within Burma with which there have been a lot of tensions and difficulties, as the Foreign Secretary will know. Despite progress in some areas, there has been an increase in attacks on other peoples. What discussions did he have on other ethnic minorities and what pressure is he putting on Burma to ensure that every ethnic grouping is included in the democracy that we hope is developing there?

Mr Hague: The hon. Lady is quite right: although what has happened in relation to the Karen people is important, other ethnic conflicts continue. I held a meeting with ethnic representatives from around Burma in Rangoon on my visit there and raised this wider matter with the Government at all the meetings I had with them. I also announced an additional £2 million of humanitarian assistance for displaced people in Kachin state, where fighting continues. It is important for the Government of Burma to understand that resolving the conflicts more widely around the borders and ethnic areas remains important.

Kerry McCarthy (Bristol East) (Lab): The Opposition join the Foreign Secretary in welcoming the release of political prisoners in Burma although, as he has acknowledged, many hundreds of men and women remain in prison there for their political beliefs. Will he tell the House what he did to push the Burmese regime to allow greater access for the world's media, particularly in the run-up to the elections in April, now that restrictions have started to be lifted?

Mr Hague: I made the point to Government Ministers there that part of the essential opening up to the rest of the world is access for media representatives. Indeed, on my visit I was able to facilitate that access for the first time and to ensure that BBC correspondents could go to places or get invited to press conferences to which they would not previously have been invited. Each international visit helps to prise open to a greater extent the media's access to Burma. We will continue with those efforts.

Simon Kirby (Brighton, Kemptown) (Con): Will the Foreign Secretary join me in extending continued support to the pro-democracy campaigner Aung San Suu Kyi?

Mr Hague: I certainly will. I spent the best part of 24 hours with Aung San Suu Kyi during my visit to Rangoon. She is an inspirational figure, a great leader and a great hope for the future of her country.

Libyan Assets

13. **Mr Jamie Reed** (Copeland) (Lab): What steps he is taking to support the unlocking of Libyan assets. [89817]

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): The United Kingdom continues to play a leading part in working with the Libyan authorities on the recovery of assets through the alleviation of sanctions. On 16 December, the United Nations was able to lift the sanctions on the Central Bank of Libya and on the Libyan Arab Foreign bank, which released some £6.5 billion worth of assets in Britain alone for the use of the Libyan people.

Mr Reed: I am grateful to the Minister for that reply. In October last year, the Foreign Secretary noted in a letter that

"the countries of the Arab League will play an important part in providing the support the Libyan Government requires to rebuild the Libyan economy".

Will the Minister tell us what recent assessment he and his Department have made of the contribution of the Arab League member countries to the economic recovery in Libya to date, and what form he expects it to take in the future?

Alistair Burt: The Arab League, in conjunction with the rest of the international community, played a vital part in ensuring the freedom of the people of Libya, and that support continues to be evident. The Libyan Government are establishing themselves and building their capacity to handle the recovery of assets and to determine the way in which they can be used. Accordingly, they are in discussions with ourselves and with Arab League partners, which are being effective. This is a process in which we are all engaged.

Mr Edward Leigh (Gainsborough) (Con): One of the problems with liberal imperialist wars is that once they are over, we lose interest in their victims. I have already drawn attention to the United Nations report on the plight of the 7,000 prisoners who are being held by the current Libyan Government in the most appalling conditions and undergoing torture and many other dreadful things. What are this Government doing about that?

Alistair Burt: This Government do not lose sight of the victims of this conflict. The conditions of those in detention have been raised by Ministers on visits, and directly with the Libyan Government. It is a matter for them to be able to create the processes to determine the future of those detainees. The commitment to human rights is absolute, regardless of how those in Libya were taken prisoner, captured or anything else. The United Kingdom stands four square behind that, and so does the national transitional council, which has made clear its own concerns, as well as its determination to deal with the issue of detainees through appropriate free and fair judicial processes as quickly as possible.

Topical Questions

T1. [89830] **Margot James** (Stourbridge) (Con): If he will make a statement on his departmental responsibilities.

The Secretary of State for Foreign and Commonwealth Affairs (Mr William Hague): This week, I am visiting Brazil as part of our efforts to transform our engagement with emerging powers in Latin America. I will also co-chair the UK-Caribbean ministerial forum, which will reinvigorate our historic ties with those countries.

Margot James: Islamic fundamentalist violence has been increasing in Nigeria for more than a decade, and has now erupted beyond the northern region. What does my right hon. Friend think can be done to counteract this threat to Nigeria and to sub-Saharan Africa as a whole?

Mr Hague: We are focusing on that threat. We are sharing with Nigeria our expertise on counter-terrorism policy and on legal frameworks. We are also providing assistance with specific capabilities such as managing the consequences of a terrorist attack. In all of this, we are in close touch with our partners in the European Union and the United States. We are also supporting programmes in the north of Nigeria to address the root causes of insecurity, such as poverty and social inequality.

Mr Douglas Alexander (Paisley and Renfrewshire South) (Lab): Will the Foreign Secretary give the House his assessment of the calls by leading members of the Free Syrian army for the Arab League to refer the issue of Syria to the United Nations Security Council? In the light of the difficulties encountered by the Arab League observer mission, and on the basis of the aforementioned discussions with Foreign Minister Lavrov, does the Foreign Secretary believe that there is any realistic prospect of the Russian Government altering their stance on Syria?

Mr Hague: I think that it would be right for the Arab League to bring its concerns and any decision that it makes at its forthcoming meetings—it has two coming up, on the 19th and 22nd—to the UN Secretary-General and UN Security Council. Over recent weeks, I have encouraged the Secretary-General of the Arab League, Mr al-Arabi, to bring Arab concerns directly to the Security Council, because I believe that the time is long overdue for the Security Council to be able to speak on Syria with a united voice. The right hon. Gentleman will recall—his question partly referred to this—that when we last tried to do so, on 4 October, our resolution was vetoed by Russia and China. I am not optimistic that the situation with regard to Russia's attitude would be different at the moment, but we will continue to discuss the matter with Russia. It would help if the Arab League were to come to the UN directly with its concerns.

T2. [89831] **Simon Kirby** (Brighton, Kemptown) (Con): Will the Foreign Secretary assure the patriotic Falkland Islands that any posturing by the Argentine Government will be met with a very firm response?

Mr Hague: I can assure my hon. Friend of that. The view across and in all parts of the House on the Falkland Islands is firm and consistent: we believe in the self-determination of the people of the Falkland Islands, and it is their self-determination, of course, that they wish to remain British.

T4. [89833] **Sandra Osborne** (Ayr, Carrick and Cumnock) (Lab): In line with the recent report by the UN rapporteur on torture, will the Minister condemn the practice by

Israel of holding children in solitary confinement, and will he make representations for the release of the 106 children who remain detained within the Israeli military prison system?

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): We welcome the fact that Israel has recently changed to 18 the age of majority in those territories for criminal jurisdiction, but we have made, and continue to make, representations in relation to children's rights—the right of audience, the right to interpreters and the like—and from the Dispatch Box recently I said that the practice of shackling children was wrong.

T3. [89832] **Mr Peter Bone** (Wellingborough) (Con): Under the Government's excellent new human trafficking strategy, the Foreign Office is required to have country business plans obliging ambassadors and high commissioners to take appropriate local action against human trafficking. What action has been taken?

Mr Hague: My hon. Friend is quite right to raise this matter. We have highlighted to our posts around the world the key commitments in the human trafficking strategy that they can help to deliver. Those include engaging with foreign Governments to ensure that common challenges are identified, and encouraging them to work with us to address those challenges. We have asked each of our posts to identify a single point of contact on human trafficking, and we are working in consultation with colleagues across government and with non-governmental organisations to bring together all the work that is already going on, including on the specific local challenges in each country. He can therefore be assured that our posts across the world are working hard on this.

T5. [89834] **Jonathan Reynolds** (Stalybridge and Hyde) (Lab/Co-op): What assessment have the Government made of recent calls by the Qatari leadership for Arab states to intervene militarily to stop the bloodshed in Syria, and would the Foreign Secretary support such action?

Mr Hague: That is one view—and an important view, of course, coming from the leadership of a state such as Qatar. As I mentioned in reply to the right hon. Member for Paisley and Renfrewshire South (Mr Alexander), the Arab League is meeting on the 19th and 22nd, so we should not presume that this is the view of the whole Arab League. Although we continue to increase the pressure on the Assad regime and strongly support the Arab League's work, the hon. Gentleman will be aware that we have not called for military intervention in Syria, the consequences of which would be far more difficult to foresee than in Libya and the legal authority for which does not exist. As things stand, therefore, this is a distinct case from that of Libya.

T8. [89838] **Steve Brine** (Winchester) (Con): The Foreign Secretary's previously referred to visit to Brazil this week is welcome and continues his much-needed drive to make trade the cutting edge of British diplomacy. As the balance of world economic activity shifts to the east and the south, would he agree that a blinkered approach to trade inside the European Union is not only very last century but painfully lacking in ambition?

Mr Hague: We need both actually. Given the flat economies in the eurozone and the fact that exports to the eurozone have fallen over recent years, it is doubly important that we develop our export markets across the rest of the world. However, there is also a strong case for driving growth within Europe, through free trade agreements with the rest of the world, by pushing forward the single market in services and digital services and by removing regulatory barriers to growth. The Prime Minister will very much be pushing that agenda at the European Council on 30 January.

T6. [89835] **Susan Elan Jones** (Clwyd South) (Lab): Will the Secretary of State tell us what steps, if any, are being taken to prepare for the possible implications of Iran's seeking to close the straits of Hormuz?

Mr Hague: As the Defence Secretary pointed out in his speech in Washington a short while ago, any such attempt to close the straits of Hormuz would be illegal and I believe that it would be unsuccessful. It would also be damaging to Iran—to its own economy and its own situation. I think it is important for Iran to desist from statements on this subject and to engage instead with the offer of negotiations with the E3 plus 3 countries. In the meantime, we are working ahead of next week's Foreign Affairs Council in Brussels to extend sanctions on Iran, including an oil embargo on a phased basis. Work on that is going on now to increase the peaceful pressure on Iran to negotiate.

Several hon. Members *rose—*

Mr Speaker: In view of the huge interest, brevity is vital.

T9. [89839] **Andrew Selous** (South West Bedfordshire) (Con): What progress is being made on the forthcoming constitutional referendum in Zimbabwe, which will be a prerequisite for free and fair elections in a country that has had more than its fair share of violence and intimidation in elections in the past.

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Henry Bellingham): I certainly share my hon. Friend's concern about continuing persecution, particularly of Movement for Democratic Reform MPs. There was the dreadful case of the recent arrest of Lynette Karenyi allegedly for insulting the President. Obviously, the immediate priority for Zimbabwe is preparation for the referendum on the constitution and making sure that the road map to credible free and fair elections is in place.

T7. [89836] **Thomas Docherty** (Dunfermline and West Fife) (Lab): What steps are the Government taking in the coming year further to strengthen the parliamentary systems in our overseas territories?

Mr Bellingham: I would like to thank the hon. Gentleman and, indeed, my hon. Friend the Member for Bournemouth West (Conor Burns) for participating in the mission to observe the British Virgin Islands elections in November. We believe that having observers is good practice for open democracies like ours and the overseas territories. This is highly relevant to the Turks and Caicos Islands where we hope to have elections later this year if the milestones continue to be met.

Sir Peter Tapsell (Louth and Horncastle) (Con): While my right hon. Friend strives to halt the tragic loss of life in Syria, will he also be mindful of Harold Macmillan's advice that one should never underestimate the capacity of a middle eastern state to replace a bad Government by an even worse one—or, may I add, by no effective Government at all, which could create even greater bloodshed?

Mr Hague: It is not only middle eastern states that do this from time to time. I very much take what my right hon. Friend says, but I have to point out that there has been, I think, a better trend than that during the last year, which can be seen if we look at events in Libya and Tunisia and at democratic developments in Morocco and Jordan. Nevertheless, my right hon. Friend's warning is well taken: we always listen to the words of Harold Macmillan and to his.

Jeremy Corbyn (Islington North) (Lab): Has the Foreign Secretary had a chance to read the reports from the Carter Centre, the European Union, the United Nations and the Catholic Church of the Democratic Republic of the Congo on the recent conduct of the presidential elections there and the barely credible reports of a 100% turnout in some areas, which led to President Kabila being declared the winner and the British ambassador attending his inauguration? What representations is the right hon. Gentleman making to the DRC Government concerning those elections and the future of democratic elections in that country?

Mr Bellingham: On the positive side, there was far less violence in these elections than there was in 2006. Furthermore, most voters who wanted to vote could and did vote. I agree, however, with the hon. Gentleman that there were a number of serious irregularities throughout the electoral process. That is why we called on the DRC authorities to investigate them properly and fairly. It is vital that lessons are learned.

Martin Horwood (Cheltenham) (LD): As we discovered during events surrounding the invasion of Iraq, it is essential for states to act only on hard evidence. In relation to Iran, will the Secretary of State encourage not only Iran itself but the whole international community to listen carefully to the International Atomic Energy Agency this time?

Mr Hague: Yes, it is very important to listen carefully to what is said by the International Atomic Energy Authority. As my hon. Friend will know, it was a report from the IAEA which, in November, referred to the military dimensions of Iran's nuclear programme and the concern that was felt about it. That has fortified our determination—the determination of countries throughout the European Union—to adopt the measures that we will be discussing next week although, as my hon. Friend has said, they must always be based on hard evidence.

Mike Gapes (Ilford South) (Lab/Co-op): What assessment has the Foreign Secretary made of the current crisis in Pakistan and its possible implications for our country?

Mr Hague: We have been making a continuous assessment of political events and tensions in Pakistan over recent weeks and days, and we are in close touch with a variety of Pakistani leaders. My noble Friend Baroness Warsi was in Pakistan for several days last week and met many of the leading figures there. We are friends of a democratic Pakistan—across the House we are friends of a democratic Pakistan—and we look to all concerned in both the political and the military leadership to work together to ensure a democratic and constitutional future for their country.

Andrew Rosindell (Romford) (Con): I know that the Foreign Secretary will share my disappointment at the news that the overseas territories have been refused permission to enter a vessel in the diamond jubilee river pageant in June. Will he assure the House that they will be granted full recognition and participation in the diamond jubilee celebrations?

Mr Bellingham: I want to praise my hon. Friend for his indefatigable support for the overseas territories. As he knows, we will shortly publish a White Paper which will discuss how we can reinvigorate our relationship with them, and obviously we want them to participate fully in Her Majesty's jubilee celebrations.

Mr George Howarth (Knowsley) (Lab): Does the Foreign Secretary agree that the Association of Southeast Asian Nations can play an important role in encouraging the Burmese to maintain the progress that he described earlier?

Mr Hague: Yes. That is particularly true given that Burma will have the chairmanship of ASEAN in 2014. One of the points that we made to other ASEAN nations at the United Nations General Assembly last year, before Burma's appointment, was that the country must be pushed in the right direction—the direction in which it is now moving—if it expected to have the chairmanship, and those nations seem to be working well together.

Jack Lopresti (Filton and Bradley Stoke) (Con): What steps can be taken to limit the shipment of arms and munitions from Iran in particular to militant groups in Palestine?

Mr Hague: We are very concerned about the shipment of arms by Iran, and about Iran's consistent support for Hezbollah in Lebanon, but there has been evidence over time of arms shipments from Iran to other parts of the region as well. We will always express our concern about those actions, and will always encourage other countries in the region to live up to their own legal responsibilities to intercept illicit armed shipments. That is certainly happens, but we will always encourage those countries to ensure that it continues.

Rushanara Ali (Bethnal Green and Bow) (Lab): What assurances did the Foreign Secretary seek and secure from the Burmese Government that there would be free and fair elections in April?

Mr Hague: That main assurance I sought was that at least a large tranche of political prisoners, but preferably all of them, would be released before the date on which candidates should register for the elections. I warned the president directly that the elections would not be considered free and fair if most political prisoners were still in prison and unable to stand. That is why I am

pleased that so many prisoners were released a few days before the deadline for registration. We will now have to judge the circumstances in which those elections take place—to judge whether there is free debate in the media and out in the country—but I can certainly say on the basis of my meeting with the committee of the Mutual League for Democracy that there is real enthusiasm and determination to ensure that such free debate does take place.

Mr James Clappison (Hertsmere) (Con): At this sensitive time in relations with Iran, will the Government still do what they can to encourage Iran to improve its record on religious persecution—for instance, in the case of Pastor Yousef Nadarkhani, who apparently faces a death sentence unless he is prepared to give up his Christian beliefs?

Alistair Burt: My hon. Friend and many other Members have made representations about this matter, and there was a very good debate about it in Westminster Hall last week. We will continue our representations in relation to Pastor Nadarkhani. History tells us that efforts to make people of faith recant their faith are doomed to failure: the faith endures, and the name of the faithful is remembered long after the torturers are forgotten.

Several hon. Members *rose—*

Mr Speaker: Order. I apologise to any Members who may be disappointed, but the appetite for questioning the Foreign Secretary and his colleagues is invariably insatiable.

Chris Bryant (Rhondda) (Lab): Unassuaged.

Mr Speaker: And unassuaged, as the hon. Gentleman helpfully points out from a sedentary position.

Point of Order

3.35 pm

Mr Denis MacShane (Rotherham) (Lab): On a point of order, Mr Speaker. On Thursday 12 January, the Russian embassy published on its website a highly personal and inaccurate attack on me. The attack related to a debate the previous day on human rights in Russia and the treatment of Sergei Magnitsky, in which several Members of all parties spoke. I believe this is the first time that a foreign embassy accredited to Her Majesty's Government has so attacked a Member for carrying out his parliamentary duties. Clearly, the Russian embassy is not covered by the rules of privilege or free expression in Parliament, but I hope, Mr Speaker, that you do not think this is a welcome development, and that Members must be able to say what they think about other countries without coming under pressure or intimidation from embassies and accredited diplomats.

Mr Speaker: I am grateful to the right hon. Gentleman for his point of order and for notice of it. I certainly agree that no Member of the House should be intimidated in exercising his or her undoubted right to free expression in this House. I might add that although my own imagination is moderately vivid, the idea of the right hon. Gentleman being intimidated by the Russian embassy or anybody else is beyond it.

Chris Bryant (Rhondda) (Lab): They send you bottles of vodka and take you to a Japanese restaurant.

Mr Speaker: If there are no further points of order, or sedentary heckles by the hon. Gentleman, we shall move on to the ten-minute rule Bill.

Sexual Offences (Amendment)

Motion for leave to bring in a Bill (Standing Order No. 23)

3.36 pm

John Mann (Bassetlaw) (Lab): I beg to move,

That leave be given to bring in a Bill to amend the Sexual Offences Act 2003 to create an offence of paying for sexual services of a person under the age of 21 years; and for connected purposes.

In talking about this subject, I shall turn directly to the issue of drugs, on which I have frequently spoken before in the House. It is a key issue in respect of the problem the Bill addresses, and I think the Bill will have a positive impact.

Legislation has many purposes, one of which is to change people's behaviour. Many previous Governments have passed far too much criminal justice legislation that attempts to send messages and give signals to society. This Bill does not attempt to do that; rather, it attempts to change behaviour, which is a far more effective strategy.

There are three main ways in which teenagers, both boys and girls, get drawn into prostitution; one of them is trafficking. The Bill does not deal with that topic in detail, but it has been well aired in this House in recent times. As a result, there has been a flurry of legislation, but it needs to be used far more effectively—both the Government and the police must deliver.

This Bill's measures would not have a major impact on trafficking, and they should not be considered as an answer to that problem. Instead, they should be seen merely as a minor assist. Trafficking is, however, one way in which teenagers get cajoled into prostitution.

Abuse and drugs are far more significant factors, however, especially with younger teenagers, and the Bill will make a greater impact in dealing with them. Those two factors—sometimes in combination—tend to lead to the dysfunctional behaviour of 16, 17 and 18-year-olds entering the world of prostitution. Sometimes that happens through coercion and sometimes it happens through desperation, although an element of both is often involved.

I wish to start by discussing the issue of abuse. Until the previous general election, I was the Member of Parliament representing Rampton, the largest secure hospital for women—the only secure hospital for women—in this country. I have visited it and talked to staff on numerous occasions, so I am aware that one incredible reality of the women there is that, of course, they are there because they acted in hugely abnormal and horrific ways, and they will often be there for life, but all the evidence suggests that they were abused as children. That is a fact and a reality; it is not an excuse.

In my work on tackling drugs—for better or for worse I have conducted a huge amount of field research, both with organisations and with constituents—I have found that, without question, 16, 17 and 18-year-olds who are getting addicted to drugs are doing so because of major trauma in their lives. A range of major traumas is involved, but the correlation we should always look at first is with abuse as a teenager, be it psychological, physical or sexual. The use of sex becomes a way of generating income within the drug community. It tends initially to be a way of buying or trading drugs, which

becomes endemic and then spreads to become a way of obtaining cash, through sex with strangers; this predominantly affects women, but it also affects young boys, too. The problem for the 16, 17 and 18-year-olds who find prostitution to be an easier route to quick money than burglary or robbery and to be more profitable than the easier option of shoplifting is that this dysfunctional activity then traps the addict, much more so than those other behaviours, in a way of life that they cannot get out of.

I am not here to make a moral speech about prostitution. There is an important debate to be held on the rights and wrongs of prostitution and the laws that should have an impact on it, but my Bill does not deal with that. My Bill does one thing: it raises the threshold for the illegality of paying for sex. Of course there is a threshold, which is currently 16. Where someone is under 16, the huge consequences of the criminal law and imprisonment are involved because of the age of consent. But the moment the victim becomes older than 16 there are no punitive powers to deal with the person who is paying. I wish to see this Bill adopted by the Government at some stage solely and simply to raise that threshold, because by raising the threshold one raises the threshold. That may sound like a truism, but this approach will change the behaviour of those choosing to pay. The behavioural implication is there for those worried about breaching the criminal law and risking 14 years in prison because someone could be a minor of 15 and a half years old. On that borderline, threshold behaviour changes, so I would like Parliament to change that threshold to 21. In essence, that will take all the teenage years out of the real threshold and will change the behaviour of people who are paying. I am not making moral judgments about what people do as adults.

My Bill seeks solely and simply to raise that threshold. I think that doing so will have a huge impact because the age group involved—older teenagers—must be given the space in which to turn around their lives. Our current legislative framework makes them the victims as, in reality, the powers available to the police, even though they are often wisely and deliberately not used, are to arrest and criminalise young people, which worsens their life chances and their chances of turning around the situation.

Explicitly changing the threshold, as well as changing the behaviour of those who are paying, will create space to allow the various agencies to work and turn around the situation for those 16, 17, 18 and 19-year-olds. That situation can then be transformed, particularly for those who have a drug dependency or who have suffered abuse. Such input, as they develop into adults, will make a defining difference in many cases. We have all seen the kinds of people who are the victims in our constituencies; we all know that they can be anyone and that they can be concentrated in areas where there are particular problems. The correlation to major trauma, however, and to abuse and the provision of the support and ability to impact on those young kids—that is what those boys and girls are—are wholly missing from the process.

I propose this Bill as a small contribution that, for some of them, would have a significant impact. It would raise the threshold for those who choose to pay and remove a reasonable number of those teenagers from the industry, creating space so the agencies who wish to work with them can do so positively and allow them to turn around their lives.

3.46 pm

Chris Bryant (Rhondda) (Lab): I rise to speak about the motion on the Order Paper, although I have nothing specific to say about the Bill proposed by my hon. Friend the Member for Bassetlaw (John Mann)—*[Interruption.]* Let me explain, Mr Speaker—

Mr Speaker: Order. The hon. Gentleman is opposing this, I am sure.

Chris Bryant: I am opposing the motion on the Order Paper, because it reads:

"That leave be given to bring in a Bill to amend"

and all the other stuff that my hon. Friend mentioned. I do not think that we should be giving leave to bring in any more Bills, as there is absolutely no point in assenting to yet another Bill being brought in. If it is to be successful and to be brought into law, by Prorogation it will need to have gone through all its stages in this House and all its stages in the other House. We know perfectly well that the Deputy Leader of the House—who is in his seat and will, no doubt, assent to this—has absolutely no intention of ensuring that there will be time for the Bill to have its Second Reading, let alone to go into Committee. Consequently, I cannot see that there is any sense in it.

I merely point out that there are 109 private Members' Bills on the Order Paper and only three are from—*[Interruption.]* I hear an hon. Gentleman say that that this should be a point of order, but it is not. The motion on the Order Paper states that we should give the Bill the right to go forward, and if hon. Members are going to agree to its going forward, they should ensure that there is time for it to do so and for it to do something substantial. There is a means of doing that.

There are 109 private Members' Bills on the Order Paper—several have come from Mrs Bone, it is true—and only three have come back from the Lords and therefore stand any chance of becoming law before Prorogation. They are the Live Music Bill, which has already been through all its stages in this House, the Contaminated Blood (Support for Infected and Bereaved Persons) Bill and the Building Regulations (Review) Bill. Only two are in their remaining stages, which will take place this Friday, and could possibly become law, unless the Deputy Leader of the House were to say that the Government would give time in some of the next few days, when we are, frankly, slightly less busy with Government legislation. That would enable us to enact some of the private Members' Bills.

Alternatively, I hope that, as a lot of Members want to legislate on specific matters that would be of significant advantage to our constituents, the Backbench Business Committee will consider making time available on Back-Bench business days for private Members' Bills. As we discussed in last week's debate, I do not believe that this House should just be representative—it is important that we do the representing. We cannot do the representing as Back-Benchers if private Members' Bills just stack up on Fridays. There are 64 this Friday and I guess we might get to debate two of them in any kind of substance, and the rest of the Bills will not even be heard on a day when we are sitting.

If hon. Members want to agree to this going forward, I say to them sincerely that they should ensure that there is more time for private Members' Bills, because

[Chris Bryant]

sometimes they make some of the best legislation. *[Interruption.]* The Whip, who should be silent, is trying to accuse us of not having given enough time, but in my time as Deputy Leader of the House we got more private Members' Bills on to the statute book in one year than this Government will in two full years in one Session. Frankly, he can go back to his silence.

Question put and agreed to.

Ordered,

That John Mann, Fiona Mactaggart, Natascha Engel, Mrs Louise Ellman, Gavin Shuker and Siobhain McDonagh present the Bill.

John Mann accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 30 March, and to be printed (Bill 272).

Backbench Business

[UN-ALLOTTED DAY]

Future of Town Centres and High Streets

3.52 pm

Mr Marcus Jones (Nuneaton) (Con): I beg to move,

That this House has considered the matter of the future of town centres and high streets.

Let me begin by thanking the Chairman of the Backbench Business Committee, the hon. Member for North East Derbyshire (Natascha Engel), and her fellow colleagues on the Committee for granting this debate. I thank also hon. Members and Friends who supported the request for this debate at that Committee.

We all have at least one if not several town centres or high streets in our constituencies. I know that many right hon. and hon. Members share my passion for our town centres. For me, that passion was developed during my time as a local councillor and council leader, when I had responsibility for town centres during the deepest and darkest period of the recession. Our town centres are focal points for shopping and meeting friends and colleagues, as well as for accessing entertainment, leisure, culture, public services and transport among other things.

The economic and social contribution that our town centres make cannot be understated. High streets make up 13% of UK economic value and 14% of total UK employment. Unfortunately, over many years the position of our high streets and town centres has been eroded to varying degrees. Many of the stronger retail chains have squeezed out the individual small businesses from many high streets but are now retrenching owing to the economic conditions. They are becoming dependent on fewer and fewer stores and consequently are withdrawing from many of our town centres.

Robert Halfon (Harlow) (Con): I congratulate my hon. Friend on securing this important debate, as well as on setting up the all-party group on town centres. Does he agree that one way of regenerating town centres is, as happens in my constituency, to give tax incentives to areas that are trying to regenerate themselves and to independent shops and small businesses so that they can set up, as opposed to only the chains coming into every high street across Britain?

Mr Jones: I certainly think that we at least need to put our town centres and high streets on a level playing field with other parts of the retail industry. We need to be as innovative as possible to make sure that taxes are as low as possible for people who want to operate on our high streets.

Ian Austin (Dudley North) (Lab): I commend the hon. Gentleman on his success in securing the debate. Dudley town centre has seen better days; it is just a few miles up the road from the Merry Hill shopping centre. Does he agree that Dudley town centre would be ideal for one of the pilot studies resulting from Mary Portas's review? Does he agree that the Minister should select Dudley for one of the pilots and that the Minister

ought to come to Dudley so that I can take him around the town centre and he can see for himself the problems we face?

Mr Jones: Dudley is an important area and the hon. Gentleman makes a strong case for it, but I think it probably ranks somewhere behind my constituency in relation to this matter.

In the last few days alone, we have seen some long-standing store chains, such as Blacks Leisure, Peacocks and Barratts, all enter administration. In the words of Mary Portas,

"our high streets have reached a crisis point,"

a statement with which I am sure many people up and down the country will agree.

A number of factors have led to the decline of our high streets, although the main reasons are undoubtedly the steady rise of out-of-town retail shopping malls, together with the dramatic impact of the arrival of internet shopping, which has soared. Back in 2007, it accounted for 4.8% of retail sales, but last November it was found to account for 12.2%. That is a challenge to our town centres, and it will be greatly exacerbated by the increased use of mobile phone technology, which is broadening the internet spectrum.

Karen Bradley (Staffordshire Moorlands) (Con): I thank my hon. Friend for securing this very important debate. May I share with him the experience of my local town of Leek, where the totally locally Leek initiative has been developed by independent shopkeepers? The idea is that if everybody who lived in Leek spent £5 each week in a local shop rather than on the internet, it would be worth £4 million to the local economy. Does he agree that we need initiatives such as that to promote local high streets?

Mr Jones: It is important for people to try to get the best deal in terms of their shopping habits, but reliance on local shopping is also important. Only in that way will we secure the future of our local town centres and high streets.

Dr Andrew Murrison (South West Wiltshire) (Con): My hon. Friend eloquently lays out the reasons why many town centres are falling on hard times. Has he noted Mary Portas's remarks about the motor car? In market towns, and in rural areas, a car is no luxury, and it is essential for the vibrancy of those towns that there is adequate parking. What does he feel about that and, in particular, Portas's remarks about a league table for car parks?

Mr Jones: My hon. Friend makes an extremely sensible point. For far too long, we have not thought about the people who want to drive into our town centres and we have not considered the quality and availability of car parking. We have certainly not considered its cost, which I shall come to later. It is extremely prohibitive and is one reason why there is not a level playing field for our town centres in relation to their out-of-town competitors.

In my constituency, Nuneaton town centre has fared reasonably well, and better than many. There is a property vacancy rate of about 6% while the national average is 11.1%, although the factors I have mentioned account for a vacancy creep that is happening at different rates across the country. Many of the factors in my analysis of the reasons for decline may be a little simplistic, but what we do to arrest that terminal decline is far from simple.

Dr Julian Huppert (Cambridge) (LD): I congratulate the hon. Gentleman on securing this important debate. Is he aware of a study by Transport for London showing that the average retail spend per month is £373 for people who walk to their high street but only £226 for those who take their car? Similar studies show that those who cycle or take the bus or train spend more than those who drive.

Mr Jones: My hon. Friend makes a reasonable suggestion, but there is a difference between travel in the London area and the situation in other regions of the UK. I can certainly say that far more people who shop in my local town centre in Nuneaton drive there than use local transport, so we have to be pragmatic.

Dan Byles (North Warwickshire) (Con): Does my hon. Friend agree that people who do not go to the town centre at all because they cannot walk or drive spend nothing at all?

Mr Jones: That is a sensible if not obvious point, and it is important.

As for how we address that decline, I welcome the review that the Government have instigated and their decision to commission the Portas review, which has not just brought the views of Mary Portas, a recognised retail guru, to the high street but has served to stimulate much-needed debate on this crucial issue. I was delighted that Miss Portas took time when researching the report to hold a discussion with the all-party group which, as my hon. Friend the Member for Harlow (Robert Halfon) mentioned, I chair. The meeting was nearly as well attended as this debate, which highlights the importance of our town centres and high streets to parliamentarians and their constituents.

Mr Peter Bone (Wellingborough) (Con): My hon. Friend is making an excellent speech. Does he welcome what is happening in Wellingborough and Rushton, where the Government's economic policies are being enforced with great gusto? We have free car parking, and a new Marks and Spencer is opening in Wellingborough. A multi-billion pound project is hopefully about to open in the Rushton area providing jobs and local availability for shopping.

Mr Jones: My hon. Friend makes an excellent case for his local area, and such positivity will do nothing but help further investment in his constituency.

John Howell (Henley) (Con): I agree that my hon. Friend is making a powerful speech. Does he agree that the neighbourhood planning provisions in the Localism Act 2011 give local communities a greater say for the first time in helping to shape the sort of town centres that they need and want?

Mr Jones: That vision is certainly significant and, along with the national planning policy framework provisions such as the "town centre first" policy, it is extremely important. I shall come on to that in a moment.

[Mr Marcus Jones]

I shall go through some of the Portas proposals in more detail but, before doing so, I should like to quote the final words of the review:

"Those are just my ideas. What are yours?"

I hope that it is in that spirit that right hon. and hon. Members will use the focus of today's debate to feed into the work of the Portas review through their own constituency experience, which should serve to inform Ministers' thinking before they make their response and implement any policies following that crucial review.

I will briefly mention one or two points from the five groups of recommendations in the Portas proposals. I very much welcome the idea of a town team. Many constituencies have town centre partnerships or business improvement districts, and I was personally involved in setting up a town centre partnership in the town of Bedworth in the neighbouring North Warwickshire constituency when I was council leader. The concept of the town team represents a shift in thinking.

Dan Byles: As my hon. Friend and neighbour has mentioned the town of Bedworth in my constituency, may I take the opportunity to thank him for doing that work when he was leader of the council? Bedworth is one of those towns that are linked to a larger town in the borough, and was sometimes considered, for want of a better word, the slightly poorer neighbour by the council.

Mr Jones: My hon. Friend makes an extremely important point. With regard to the local shopping on offer, Bedworth is an extremely important player, even if it is not as large or always as vibrant as Nuneaton.

Town centre teams would give more teeth and opportunity for more detailed public-private sector engagement, which could go beyond the operational, micro issues, that town centre partnerships and BIDs deal with, and cover strategic issues, helping to shape the vision for our town centres. The proposal would allow landlords to become investors in town teams or super-BIDs, and would seek to strengthen that vision for town centres with the possibility of leveraging in further private investment. The all-party group secretariat, the Association of Town Centre Management, very much advocates that approach and is convinced that there is real will on the part of the private sector to make a major contribution to this.

Dame Joan Ruddock (Lewisham, Deptford) (Lab): I congratulate the hon. Gentleman on securing the debate. Does he agree that if we are trying to attract investment, the proliferation of betting shops taking over premises from the closure of banks and building societies, which has happened in Deptford high street in my constituency, is a disincentive and spoils the diversity of our high streets, which is so important and which we need to hold on to or bring back?

Mr Jones: Betting shops are an important part of our town centres and high streets, as I am sure the right hon. Lady would acknowledge, and they offer valuable employment. However, the proliferation of betting shops has been caused to some extent by the provisions of the licensing legislation in relation to the number of machines that such businesses can have. That needs looking at and Mary Portas refers to it in her report.

Tracey Crouch (Chatham and Aylesford) (Con): In addition to the proliferation of betting shops, there has been a proliferation of high-cost credit lenders on our high streets, which prey on some of the most vulnerable members of society. Will my hon. Friend join me in congratulating Medway council, which has established a cross-party working group to look at how the council can get involved in ensuring that the licensing of those money-lending shops is controlled and reduces the possible damage to the most vulnerable members of society?

Mr Jones *rose—*

Mr Speaker: Order. Before the hon. Member for Nuneaton (Mr Jones) responds, let me say, first, that he has been speaking for 14 minutes. I am sure many Members have been greatly enjoying his speech, and I am sure the hon. Gentleman has been enjoying it, but there are nearly 50 Members who wish to speak and to whom a time limit applies, so I hope he is bringing his remarks to a conclusion. Secondly, the frequency with which he gives way is a matter for him, but he might want to bear that in mind. Thirdly, interventions are too long.

Mr Jones: Thank you, Mr Speaker, for that guidance. I will try to keep my remarks brief and to keep interventions to a minimum.

Starting new enterprise is crucial on our high streets, particularly with many of our chain stores retrenching. We need to reinvigorate our independent shopkeepers. Street markets and indoor markets are an important route to doing that. In my constituency we have an award-winning street market on Wednesdays and Saturdays which often has more than 150 stalls. As in the case of car parking, which I shall come to shortly, local authorities must be careful to make sure that markets are not just cash cows and income generators for the local authority, but are there for the benefit of the local community and the local town centre.

That brings me to ways of allowing businesses to flourish. Lower taxation and less regulation are the keys to unlocking that potential, although we should be careful not to throw the baby out with the bath water. Through deregulation—for example, the deregulation of pedlars—we could end up with a situation where pedlars can turn up and trade alongside market traders, without paying any rent or rates. The market traders who have traditionally been on our high streets will find themselves at a disadvantage.

Car parking is a major issue. There is a case study in the Portas review that mentions Swindon, and my hon. Friend the Member for North Swindon (Justin Tomlinson) will probably elaborate on that. Although I acknowledge the restraint on both Government and local government budgets, further direct action on car parking charges must be explored. It would be fantastic if a pilot scheme could be run to see whether we could bring in free short-stay parking that would have the effect that we are looking for. The pilot should be run in a constituency, and I would make the argument for that to be my Nuneaton constituency, but other right hon. and hon. Members probably have other ideas on that.

There is also an inherent unfairness in how the business rates regime applies to town centre car parks and out-of-town-centre car parks, and we need to look at that

carefully to ensure that we allow our town centres to operate on a level playing field. As Mary Portas rightly pointed out, we need to look carefully at planning in our town centres. My hon. Friend the Member for Henley (John Howell) mentioned the national planning policy framework, and we must ensure that the "town centre first" policy and the sequential test are retained in the framework. I also think that it is important that office development is included, because although we must not deny out-of-town development, we must ensure that it is proportionate and meets the needs of a particular area.

I note your comments about time, Mr Speaker, and appreciate that many right hon. and hon. Members wish to speak. By bringing the matter before the House, I sincerely hope that we will have a positive debate, that our views will prevail and that the Minister will go away loaded with positive ideas from Back-Bench Members that can be fed into the Government's review. I firmly believe that the British people instinctively wish to see our high streets and town centres not only survive, but flourish and prosper, as they form one of the unique components that make up the UK.

Mary Macleod (Brentford and Isleworth) (Con): Will my hon. Friend join me in commending the Mayor of London, who today announced £177 million of targeted regeneration investment for town centres and local high streets, of which Brentford and Isleworth will receive £4.8 million?

Mr Jones: That is fantastic news, and just the sort of support that our town centres and high streets need. It is extremely important that we support our high streets and town centres not only as Members of Parliament, but as individuals, and that at all times we promote their cause so that they are there for hundreds of years to come, as they have been for us all thus far.

Several hon. Members *rose*—

Mr Speaker: Order. In view of the level of interest, and as has been made clear on the Annunciator, I have imposed a seven-minute limit on Back-Bench speeches.

4.12 pm

Simon Danczuk (Rochdale) (Lab): I congratulate the Backbench Business Committee and the hon. Member for Nuneaton (Mr Jones) on securing this important debate. The state of our high streets and town centres is important not only for our local economies and for providing jobs, but for strengthening our local communities. I think that setting up the Portas review of the high street was an inspired decision by the Government, although Members will not be surprised to hear that I have concerns about how the Government are supporting the retail sector.

Retail is our country's largest private sector employer and accounts for 20% of the UK's gross domestic product. The sector accounts for 40% of employment for the under-20s and pays 28% of all business rates. Now that the Government have achieved a youth unemployment level of over 1 million and failed to replace the public sector jobs that have been cut with private sector jobs, we can see how important the sector is to the health of our economy.

The retail sector's prospects for 2012 are not good. Hardly a day goes by without another high street brand going into administration; Peacocks has already been mentioned. Consumer confidence is exceptionally low. Although that is clearly impacting on the larger retail multiples, it is also having a devastating impact on independent retailers, a group of businesses that do not always have a voice—or rather, are not always heard—in debates about the economy. That is why I believe that commissioning the Portas review was an inspired decision. It inevitably shines light on the smaller retailers that provide the diversity and quality customer service that enhance our high streets.

There has been much press coverage of Rochdale's town centre in recent months, not least because McDonald's has decided to leave, and because we have a disproportionate number of charity shops. In reality, however, our town has a great retail offer. Businesses such as Chantilly, 25 Ten, Denis Hope, Bragg and the Number Ten Gallery are perfect examples of the high-quality independents that enhance Rochdale's high street, but Rochdale, like towns throughout the country, needs the Government to act more quickly and responsibly.

Bob Stewart (Beckenham) (Con): It is terribly important to point out that the issue is not just about retail, but about attracting people into town centres. Beckenham used to be a wonderful place to go, but it is getting shoddier and shoddier, and we need more funding to make such areas good places for people to go—even if they are going there not to spend any money, but just for social reasons.

Simon Danczuk: I agree, and the Portas review makes the point that town centres are not just about retail, but about being a community magnet that brings people in for a variety of reasons. One problem is that the Portas review was delayed for months, and came to us late, but it is also disappointing that the Minister has decided not to respond until the spring.

The review makes a host of recommendations, practically all of which I welcome, but it also pushes a disproportionate amount of responsibility on to local government. We all know that towns such as Rochdale have received devastating cuts from this Government, so it will not be easy for local authorities to implement some of the recommendations, such as discounted business rates. Local councils can help with national market day, and set up town teams, as Members have said, but it is for central Government to take responsibility for the major issues affecting our town centres.

On planning, as the review recommends, the Government must put the town centre first, and following their consultation on the national planning policy framework, I get the impression that they will. I believe that they will make that change to the draft NPPF.

But the Government need to go further than the review, and we would benefit from looking at how credit insurance works in the retail sector, and at how the lack of credit insurance for wholesalers and suppliers makes it difficult for businesses to manage cash flow and, ultimately, to survive. A Government scheme to assist suppliers with credit insurance would certainly help.

The review makes some welcome recommendations on business rates, and Mary Portas is right to highlight the adverse impact of business rate levels on our high

[Simon Danczuk]

streets. In Rochdale, retailers that are closing have cited high business rates, but the Government have just introduced the biggest hike in such rates for 20 years—an increase of 5.6%. That is just not sustainable for small businesses on our high street.

Mark Tami (Alyn and Deeside) (Lab): Does my hon. Friend agree that there is also a problem with bank lending to enable high-street shops to invest and bring their businesses up to the standard that we all expect in this day and age?

Simon Danczuk: That is absolutely right. Bank lending is a real problem for small businesses, and one that the Government need to address in terms of the larger economic situation.

Returning to business rates, I also highlight the problem with the Valuation Office Agency. I recently had a Rochdale bar owner attend my surgery, describing how the VOA had told him that it assumed his takings would be about £179,000 per year—a figure that he could only dream of achieving. I know from my own dealings with the VOA that its performance leaves a lot to be desired. Not only is it difficult to deal with, it is also slow to act. Thousands of businesses in Greater Manchester have appealed against the new business rate valuations, yet the VOA admitted that in 2010 it could deal with only 3% of the appeals made, leaving a massive backlog that still needs clearing. The VOA is now refusing to publish what percentage of appeals are successful—presumably to discourage businesses from challenging its valuations. We should not underestimate the impact that business rates and the VOA are having on the high street. I urge the Government to give those issues more urgent attention.

I started by mentioning consumer confidence. We cannot underestimate the adverse impact that our country's economy is having on our high streets. For all the tweaks and adaptations that can be made locally, it is the level of unemployment, the fear of becoming unemployed, the lack of credit for small businesses and high inflation that will make or break our high streets.

To conclude, the Portas review provides worthwhile recommendations on which the Government can act, but there needs to be urgent action, and the Government need to recognise the effect that their economic policies are having on our high streets.

4.20 pm

Mr Gary Streeter (South West Devon) (Con): I am pleased to be taking part in this debate about the health of our high streets and town centres. I will risk making the passing comment that to see so many colleagues here to take part in a debate with a one-line Whip suggests that there is not a lot wrong with the health of our Parliament. It is an encouraging sight. I commend my hon. Friend the Member for Nuneaton (Mr Jones) for triggering this debate, and Mary Portas for producing an excellent report on our high streets and town centres.

High streets and town centres have been under assault for many years from out-of-town shopping centres. Perhaps that horse has now bolted, but there is the new threat of internet purchasing. That is, in part, a generational thing. In the place where I live now there are four families, as three of our grown-up children and their spouses have joined us in our little community, which was described, when I became a Minister in 1996, as an evangelical community on the edge of Dartmoor. That sounds very alternative, but it is nothing like that. With three families of a younger generation, it seems that the delivery vans arrive several times a day as a result of their internet shopping. We grandparents are not really doing it, but the younger generation are. This is a very new assault on the high street.

That is why I strongly support what is perhaps the key recommendation of the report—that a new vision for the high street must recognise that it is not just about retail but about culture, community and leisure. We must make a visit to the high street or the town centre like a day out. It should be a pleasurable experience, and not just about retail.

Mr Mark Spencer (Sherwood) (Con): Does my hon. Friend agree that many of those who make purchases on the internet take the trouble to visit the high street and look at the product that they wish to purchase, only to go home and buy it more cheaply on the internet? Without the high street, that market simply would not work.

Mr Streeter: I think that that is right, although my daughter and son-in-law spend most of their time browsing not in the shops but online, and make their purchasing decisions in that way. Either way, of course, is good. High streets will never compete with the internet or out-of-town shopping centres on retail alone. That is the important point that the report tells us.

My constituency of South West Devon has three shopping centres: Plympton, Plymstock and Ivybridge. Most of those communities will be well known to colleagues in this House. Over the nearly 20 years in which I have been privileged to represent those communities, I have seen the ebbs and flows of the high street. It is right to say that local people want to support their town centres, but it is important that the offer from them is right and attractive.

Mary Macleod: Will my hon. Friend give way?

Mr Streeter: I will of course give way, but for the last time.

Mary Macleod: Does my hon. Friend agree that market days have a role to play in the high street to give shoppers something different? On Saturday, he is welcome to come to the Turnham Green terrace market day in Chiswick, in west London.

Mr Streeter: I am grateful to my hon. Friend. She is absolutely right. However, if I had a choice between being in Devon or Chiswick on a Saturday, I know which one I would choose. [Hon. Members: "Oh!"] I suspect that most of my colleagues would say exactly the same thing.

I thought that it would be helpful if, drawing on this excellent report and my experiences over the past 20 years, I came up with the five golden rules for regenerating our town centres and high streets. The first is to have local leadership. The hon. Member for Rochdale (Simon Danczuk) spoke eloquently about what the Government

should do, but let us talk about what the local community should do. Bottom-up local leadership is crucial in sparking the regeneration of our town centres and high streets. I give the example of Ivybridge town council, which already has in place a neighbourhood plan and has engaged the Prince's Foundation for the Built Environment to come up with a brand new vision for the town centre.

Rehman Chishti (Gillingham and Rainham) (Con): Will my hon. Friend give way?

Mr Streeter: I will not, if my hon. Friend does not mind. I have given way twice already, and I have an awful lot to say.

Ivybridge town council is very keen on the report that Mary Portas has produced and hopes that the Government will formulate a number of policies to make it a reality. Local leadership, particularly from the energetic town clerk of Ivybridge, Lesley Hughes, is a crucial part of taking forward the regeneration of our town centres. Two of the other areas that I have mentioned, Plympton and Plymstock, are suburbs of Plymouth and do not have their own town councils, and we can see a real difference in how they grip the need for a new vision.

My second point is about the buy-in of the other local authorities involved. Whether they are district councils, county councils or unitary authorities, it is very important that all the relevant authorities are involved in bringing forward new visions. They need to be brought together on issues such as land ownership, parking, highways and various other powers.

We have heard talk of the important part that business rates can play in town centre regeneration. The Minister for Housing and Local Government is listening to me right now, and I say to him that the Government need to encourage and incentivise local authorities to make more creative use of business rates collected locally to underpin and support local businesses and new economic development in their communities. Let us find ways of doing that.

Thirdly, I wish to mention car parking. I have been through 20 or 30 years of town planners, architects and academics telling us that we need to build sustainable communities with the car designed out of them. I am sorry, but it has not worked. Whether it is right or wrong, the people of this country have chosen the car. For most of us, in our rural communities, the car is absolutely essential. In many parts of my community there is not one bus a day but one bus a week, and if someone misses it by two minutes they are in for a long wait. It is essential to provide space for car parking in the regeneration of our town centres and high streets, and for that parking to be either free, very reasonably priced, or free for a certain period. We are all lazy.

I also support "pop and shop" schemes whereby people can park outside a shop for a few moments even in a pedestrianised or semi-pedestrianised area, to pick up their dry cleaning, get cash out of the bank, buy the grandchildren an ice cream or whatever. I am afraid that the idea of designing out the car is now old-fashioned and has to be consigned to the dustbin of history. Car parking must be at the heart of what happens.

Fourthly, we need flexible planning. In the west country we have a lot of rural areas and a lot of rural planning authorities that have done a great job of preserving our countryside for many generations. However, I say to them that we do not want our town centres or high streets to be museums. We need much more flexible planning laws. I agree with Mary Portas that we should change the law on use classes to make it much easier to change from one high street use to another. I suspect that planning officers in many parts of the world need a paradigm shift. In too many places, their default position is to say no and then try to justify it. I hope that our planning guidance, which has somehow got stuck somewhere in the system in the past few weeks, will be introduced early in this new year to encourage and incentivise local planning officers to allow new life to be breathed into our high streets. We need much more flexibility, because our high streets must not be left as a museum.

While I am on the subject of planning, it is worth saying that sometimes English Heritage does not help us. I am sure my hon. Friend the Member for Plymouth, Sutton and Devonport (Oliver Colvile) will agree that the decision to list Plymouth civic centre as some kind of historic and beautiful building, when it is probably the ugliest thing outside Dudley, is absolutely disgraceful. *[Interruption.]* Have I got myself in trouble there? I think I probably have.

Fifthly, landowners and developers need to be brought into the equation, and they need to be much more creative. I shall finish by returning to Ivybridge, where there is a development called Glanvilles Mill that is full of empty or half-empty shops. We need much more creativity in establishing a new development to bring Ivybridge into the 21st century.

I commend the report to the Government, and I hope that at the end of the debate the Minister will tell us that he supports it completely and will bring in a lot of new policies to make it happen.

4.30 pm

Jim Dowd (Lewisham West and Penge) (Lab): I am sorely tempted to throw my notes away and to join the hon. Member for South West Devon (Mr Streeter) in castigating English Heritage, but I shall resist.

I thank the Backbench Business Committee for allowing this debate and all those Members who approached the Committee, of whom I was one. The debate is a reflection of their wisdom, because this issue clearly excites interest on both sides of the House and across the country, largely because everybody has a local high street and a local town centre—not just Members of Parliament, but individual citizens. The importance of the welfare of high streets and town centres cannot be overestimated.

The issues around town centres and high streets are perennial. I join others in welcoming the Government's commissioning of a report from Mary Portas and her work. The report introduces some new language, and anyone who reads it can tell that it has been written not by a planning professional or a civil servant, but by somebody whose main qualification is in the business about which they are speaking and whose enthusiasm is patently transparent. That runs through the whole report. I am not quite familiar with a few expressions in the report—I do not know what she means by a "three-dimensional retailing experience"—but we can forgive that kind of hyperbole when the essence of what she addresses is so critical to the health of so many of our communities.

[Jim Dowd]

I notice that the Government say they will have their response out by the spring, which I think means the day before the House rises in the summer, whatever date in July that might be. I hope the Minister takes into account what people say and how important this issue is. I sometimes worry about Ministers' responses to Backbench Business Committee debates. They accept motions—although there are no specifics in today's motion—but spend all their time during their speeches explaining why they do not agree with them. I hope that that will not be the case today.

High streets and town centres mean different things in different parts of the country—they mean different things in urban areas, semi-urban areas, towns and villages—but in both this country and around the world, the common denominator is that the local market, however we describe it, is a key ingredient of the local community. In many ways, it defines the local community. As others have said, it is not just a place of trade and exchange, but a place of social interaction and opportunity, a meeting place and a centre for all kinds of activity, not merely retail.

There are many different aspects of the high street debate. I agree with the hon. Member for South West Devon that the threat is no longer from new out-of-town developments. Time will tell whether we have sold the pass on that and whether we allowed too many developments in previous years with which the traditional local ribbon high streets must contend, but the threat is not from new developments.

Robert Halfon: I am listening to the hon. Gentleman's thoughtful speech. He says that local retail centres are not a threat, but all the retail centres in Harlow are very popular and have a huge advantage because they have free parking. People can park outside the door and go about their daily business at the retail centres, whereas many shopping precincts—not just in Harlow, but all around the country—are paved over and very difficult to park near, and many have parking charges. Does he agree that free parking would make a huge difference, as my hon. Friend the Member for South West Devon (Mr Streeter) suggested?

Jim Dowd: I shall come to that in a moment. Perhaps I have not made myself clear. I do not think that the threat comes from new developments, the construction of which seems largely to have abated, as the hon. Member for South West Devon pointed out. The fear is that we have already created too many of them, and that they will still have an effect on the traditional town centres and high streets.

Dr Sarah Wollaston (Totnes) (Con): Does the hon. Gentleman agree that our high streets have a wider role in supporting local supply chains and increasing local resilience? In some areas, there is still a threat not only from out-of-town developments but from large distribution depots, which are merely displacing jobs rather than creating new ones.

Jim Dowd: That is indeed true.

I was involved in producing a report a few years ago, and we discovered that, in the large retail sector, it takes £150,000 worth of turnover to support one job, whereas the comparable figure for small and independent retailers is £100,000. So, small and independent retailers are much more likely than large ones to produce employment. They are also much more likely to be used by people locally, and the value stays within the local community rather than being exported to a national centre elsewhere. They are also of much greater value to the community in terms of social cohesion as well as retailing.

Some 10 years ago, I was approached by the Independent Retailers Confederation at an event here in the House, and we had further discussions. I then tabled an early-day motion relating to retail crime and under-age purchasing, which highlighted the fact that although those issues apply to all retailers, they present a bigger challenge and have a greater effect on small retailers than they do on the large multiples. I know that some Members take a proprietorial—almost parental—interest in their early-day motions, e-mailing and writing to everyone to ask them to sign them. I take a much more hands-off approach, however; I table them and send them off to find their own place in the world. So, I submitted the EDM with only my name on it, but within a week, it had attracted about 88 signatures.

I spoke to some of the Members who had supported my motion, and it became clear that although there had been an all-party parliamentary retail group for many years, there was a strong feeling that its work did not reflect the interests of small and independent retailers. I am not criticising its work at all; I think that it is a valuable adjunct to the work of the House and the interests of its Members. It is fronted by the British Retail Consortium, which is an estimable organisation that does a good job of representing its interests. However, the consortium effectively represents large retail traders and multiples. That is perfectly legitimate, but the idea that it represents small and independent businesses is just plain wrong. We need only to look at its membership lists to discover that fact. It includes some online businesses that have no trading premises, but, apart from those, its idea of a small trader with only one outlet is Harrod's or Fortnum and Mason. They are not small retailers, by anyone's definition.

We then formed the all-party parliamentary small shops group. I am particularly indebted to the hon. Members for Colchester (Sir Bob Russell) and for Kettering (Mr Hollobone), and to the hon. Member for Ribble Valley (Mr Evans), now the First Deputy Chairman of Ways and Means, as well as to the right hon. Member for Inverness, Nairn, Badenoch and Strathspey (Danny Alexander), now the Chief Secretary to the Treasury, and to my hon. Friend the Member for Llanelli (Nia Griffith). We undertook to establish an inquiry, along the lines of that of a Select Committee, into the future of the high street. It was the first report of its kind, and it attracted a lot of attention. We made a number of recommendations, most of which were ignored. Some, however, were enacted, and some were partly enacted. There is, however, a wealth of information, material and advice on the future of the high street, of which Mary Portas's report is just the latest. There is also the all-party small shops group's report from seven years ago and reports from the *Evening Standard* and various community groups and academic organisations. I hope that the Government will take long-overdue action and relentlessly pursue a policy in the interests of retailers of all sizes and the communities that they serve.

4.40 pm

Gareth Johnson (Dartford) (Con): I congratulate my hon. Friend the Member for Nuneaton (Mr Jones) on showing great leadership through his work on the all-party town centres group and in securing this debate. The group goes from strength to strength under his chairmanship. I also congratulate the Backbench Business Committee on allowing this debate to take place, because hardly a constituency in the country is not affected by this issue and there is hardly a high street not in need of improvement and enhancement.

Many Members have referred to their own high streets and constituencies, and I shall be no different because I represent the market town of Dartford, which, despite a planned regeneration project, has to contend with all the difficulties that every high street in the country has to deal with. However, I also represent Bluewater, which is one of the largest out-of-town shopping centres in Europe, so a special range of challenges affects the local area.

I have found that high streets do best when they adapt to changing times and offer something different from out-of-town centres, but that difference can be part of their strength. That is often overlooked by high street managers. Out-of-town shopping centres and high streets are not the same but offer alternative experiences. We should not lose sight of the differences between the two, and so we should not approach them and their needs in the same way.

Many hon. Members have mentioned the report written by Mary Portas, and there is much to commend in that report, but I disagree with some aspects of it. Sadly, Mary Portas is very disparaging about out-of-town centres, yet that negative approach is misplaced. She asserts that out-of-town centres have a negative social and environmental impact on the areas where they are situated. That is simply not my experience. I am not sure what negative impact they have on the environment in which they are situated. On the social impact, in my experience, they have a positive, not a negative, impact on the local area. When I visit Bluewater shopping centre, I see families enjoying meals out, cinema visits and socialising with others. This is a good thing for the local area and is part of the positive social impact that Bluewater, for example, has had on my local area.

Mr James Gray (North Wiltshire) (Con): I am glad to hear about the families enjoying themselves at Bluewater, but does my hon. Friend not agree that if they are enjoying themselves there—or, indeed, at Cribbs Causeway or other out-of-town shopping centres—in the way that he described, it means that they are not doing so in the town centres?

Gareth Johnson: Yes, but I do not feel that it is an either/or situation. Many families can enjoy both the high streets and the out-of-town shopping centres, but in different ways. Very often, out-of-town shopping centres can be destinations that people enjoy.

Robert Halfon: I invite my hon. Friend to the Harvey shopping centre in Harlow. It is a wonderful shopping centre integrated with shops in the local town centre. Does he not agree, though, that the answer to his conundrum is to have a level playing field, as I mentioned earlier, so that high streets have the same rights as shopping malls and out-of-town centres?

Gareth Johnson: My hon. Friend extends a kind invitation but he need not have because I have visited Harlow shopping centre many times. It was a very pleasant experience, but I do not agree with the assertion made by some—not by him—that we can make high streets better by making out-of-town shopping centres worse. That is simply not the case. We need to ensure that both shopping destinations are vibrant.

Jim Shannon (Strangford) (DUP): Does the hon. Member think that although the high streets might offer certain qualities and a particular type of shopping experience to shoppers, they also need the prices and the bargains? I do not do any of the shopping—my wife does that, and she always looks for the bargains, as I am sure is the case with every hon. Lady in the House.

Gareth Johnson: The hon. Gentleman makes a good point. People will always be out bargain hunting when they are shopping. My wife is exactly the same, but there is also a place for quality in the marketplace.

Let me make some progress. Mary Portas has said that out-of-town shopping centres are responsible for job displacement. Bluewater shopping centre employs some 15,000 people. I simply do not accept that that number of people lost their jobs in the local high streets as a result of Bluewater opening. If these assertions are incorrect for Bluewater and north Kent, I presume that they do not apply elsewhere either.

In many ways, the success of many our out-of-town shopping centres helps to highlight what is needed in our high streets. In short, high streets can learn from out-of-town shopping centres. High streets need to become attractive, safe locations for people to spend their time, day or night; they need to be attractive to families and to people who will want to spend quality time there.

Glyn Davies (Montgomeryshire) (Con): Does my hon. Friend agree that as much as anything else, town centres must remain accessible and that planning authorities have too much of a tendency to force change in transport systems, like imposing one-way systems or parking restrictions? In so doing, they are often limiting the town centre; they want to force a retailer to pay just because it has come into the town.

Gareth Johnson: My hon. Friend makes a good point. Of course town centres need to be accessible. Perhaps the most popular way of achieving that is through car parking provisions. This is how shoppers want to do their shopping; if they have heavy shopping bags, they might not wish to use public transport, however good it is.

It is essential that high streets offer more than just shopping. Too many high streets look the same and offer the same as each other, so they need a diverse range of attractions. High streets are facing an increasing range of challenges. Yes, the economic downturn has hit the high street hard, and it continues to do so. As my hon. Friend the Member for Nuneaton said, internet shopping has also had an impact. High streets that offer something different can often flourish. Farmers' markets draw people into the high street and continental food markets are also extremely popular. Ensuring that there is a permanent residential population in the town centre is important, too, in order to avoid high streets looking

[Gareth Johnson]

like ghost towns after dark. Having an effective town centre forum or chamber of commerce working with local councillors and planners can help to ensure that ideas and plans are thought through before they are implemented.

What I welcome in Mary Portas's report is her support for a team approach to high street planning. I also support her suggestion of tackling the number of empty shops we see in the high street. We should not single out banks, which she suggests we should, but should target all retailers on this issue. Her report suggests that councillors should be given the power to tackle situations where, as the right hon. Member for Lewisham, Deptford (Dame Joan Ruddock) pointed out, there is a problem with the number of betting shops in a particular area. I disagree with Mary Portas, as we should not single out betting shops; we should adopt the same approach to all retailers and prevent any one kind of retailer from monopolising a particular street or particular part of the high street.

In conclusion, the future prosperity of British high streets is one of the biggest challenges the country faces. There is no simple solution to the problem. It seems, however, that with innovation, team work and an understanding of the needs of the people, high streets could once again flourish in this country.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. Given that a number of Members wish to catch the eye of the Chair, I shall now reduce the time limit to five minutes. I want to ensure that everyone can contribute, so I ask Members to exercise some restraint in interventions. Members who wish both to intervene and to speak will be placed lower on the list. Let me reassure Members that I want to treat everyone as fairly as possible.

4.49 pm

Ann Coffey (Stockport) (Lab): We all want our town centres to be successful, and to provide employment and high-quality goods and services for the local community. In my constituency, more than 5,700 people are employed in the retail sector, but, like other town centres, Stockport is facing the challenges posed by changing shopping habits. One of the challenges is undoubtedly the growth in internet sales, which currently account for 12.2% of all sales. Some estimates suggest that e-commerce accounted for nearly half of the retail sales growth in the United Kingdom between 2003 and 2010, and we have seen a dramatic increase of more than 500% in "m-commerce"—sales over mobile devices—in the past two years.

In every town centre the well-known retail brands have a presence, and, together with independent retailers and markets, they have been the face of the high street in town after town. However, it is becoming clear that because of changes in shopping habits, retailers are going to need fewer shops. Some big names have announced that they are considering whether they have the right number and size of stores, including Arcadia, the owner of BHS, which is examining the future of 260 stores.

I believe that the challenge is for retailers to harness the power of the internet in ways that can benefit them and stop the decline of town centres accelerating as some well-known brands pull out. A growing school of thought believes that the internet, and specifically the evolution of multi-channel and social media, provides a significant opportunity for the future success of our towns and cities. The good news is that about a fifth of all internet transactions in the UK involve some in-store research, so internet shopping does not mean that people are abandoning the high street.

Analysis by Experian has revealed that one in 10 consumers use their mobile phones or "tablets" in stores to check the price of goods elsewhere before deciding whether to buy, and that nearly 31% of the UK population now fall into the category of multi-channel shoppers: those who use the internet, trips to stores, price checks on mobile devices, and advice from friends and their "virtual" networks to decide whether to make a purchase. It is clearly not as simple as shoppers deserting the high street for their computers or mobile devices. Indeed, a factor identified in the same report is the frustration with online shopping that is driving consumers back to the high street. The report states that 60% of online shoppers have expressed frustration about the arrival of deliveries while they were out, and that 50% have received products that they did not consider to match the online description.

It is for those reasons that many high street stores are offering more flexible "click and collect" purchasing, which enables customers to shop online and collect in stores. The number of non-food retail purchases to which that applies is expected to increase from a fifth to a third by 2020. Some companies are also encouraging customers to browse online in kiosks in their own stores, or are providing showrooms where customers can browse and receive specialist advice. All those factors are attracting shoppers back to the high street, and are providing opportunities for retailers who get their strategy right to survive.

Big names with collection points and web kiosks that have embraced the internet could in future provide an attractive anchor for town centres, and draw people into the high street. That in turn could increase investment in town centres, and enable each town to develop its own unique offer of, for instance, markets, independent specialist shops and cultural attractions. That, as Mary Portas says, is the key to high street success.

Gloria De Piero (Ashfield) (Lab): Last month Eastwood lost its only shoe shop because Jonathan James went into liquidation. Does my hon. Friend agree that a healthy economy is central to a healthy high street?

Ann Coffey: Absolutely, and the difficulty that retailers currently face is partly due to the consequences of the wider economic conditions. I also agree with Mary Portas that it is important for town centre partnerships to work together to meet the new challenges, and for councils to provide access to shopping and adequate parking. Innovative retailers can harness the power of the internet and e-commerce to change the way in which they do business.

Rehman Chishti: Does the hon. Lady agree that local authorities need show stronger leadership and come up with more innovative ideas, such as Medway council's card that gives people discounts when they use local facilities such as restaurants and theatres?

Ann Coffey: I entirely agree. In a debate before Christmas, I talked about a unique offer in Stockport that combined discounts at cultural venues and in shops. Locally, there is a lot of similar innovative thinking about how we might attract people back into our town centres.

In October 2011 a well-known retailer opened a store without any stock. Customers select their product on iPads for delivery to the store or to their homes. The Department for Business, Innovation and Skills research published alongside the Portas review noted that this was

"an innovative use of bringing the internet to high street".

Another big retailer has also reported "strong multi-channel" sales growth and plans to extend web kiosks in small stores to give access to a wider range of products, and a further influential company said that the success of its "click and collect" option had been so great that it planned to double the number of collection points in its stores. That is good news for town centres and it illustrates the fact that we should not see internet shopping as a threat—it can be harnessed to bring vibrancy and shoppers back to our high streets.

Like many people, I shop on the internet but also enjoy the social aspect of shopping in my local town centre and Stockport market. Like many of us, I do not want to lose the socialising opportunities that a vibrant town centre and market can offer or the sense of being part of a community that they provide, but nor do I want to lose the convenience of shopping online in the evening. We need to get the balance right for both to thrive nationally and locally. That is the challenge facing us all in reviving and developing our town centres.

Several hon. Members *rose—*

Mr Deputy Speaker (Mr Lindsay Hoyle): Order. As so many Members are seeking to catch my eye, I shall reduce the time limit on speeches still further if there are frequent interventions. I hope colleagues will heed that warning and try to restrain themselves.

4.56 pm

Mike Crockart (Edinburgh West) (LD): I welcome today's debate and the opportunity to discuss this most important issue. When thinking about my contribution today, I was reminded of the following headline in *The Guardian* in 2009: "Empty, unlet and unloved: the new British high street." Over the past few years, we have become very aware of the demise of our high streets. Challenging economic circumstances, stretched consumers and a new breed of large out-of-town shopping centres and supermarkets are all part of the problem, but we in central and local government must also shoulder some of the blame. Above all, we must take the problems seriously and act now to halt the damage already done. I therefore welcome the independent Portas review and its recommendations on the future of our high streets. The findings seem sensible and offer a pragmatic, systematic way forward.

When choosing where to shop, many people become flippant about the struggle our high streets face. I, too, am guilty of that. We do not automatically associate our shopping transactions with the survival of the high street. We think someone else will shop there or use its services. That attitude needs to change.

My constituency of Edinburgh West is a collection of communities close to a major city centre. Corstorphine is at the heart of the constituency and has what would probably best be described as a traditional high street: linear in appearance and with all the usual amenities one would expect, including a butcher, a baker—but no candlestick maker—hairdressers, dentists, estate agents, charity shops and pubs.

Roger Williams (Brecon and Radnorshire) (LD): Does my hon. Friend agree that another facility we would expect to find on our high streets is a branch of a bank? However, in my constituency Barclays has closed its branch in Rhayader high street and HSBC is going to close its branch in Presteigne. Such closures pull our high streets still further downwards. We should let banks know that we expect them to respect the communities they serve.

Mike Crockart: That is an important point, but we can hope that that problem will be addressed by the welcome widening of competition through Virgin Money, the Co-operative Bank and others opening on our high streets.

High street businesses and the services they provide would be missed if they were to go, but the majority of people still do their shopping at the Tesco Extra, or other superstore, down the road. It has parking, everything is under one roof and for some products it is more competitively priced. I fear that many high street shops do well because of an older generation for whom they provide a social amenity. That is worrying for their future.

The high streets in Kirkliston and in Davidson's Mains, which are also in my constituency, are surviving but they are arguably not thriving. People can walk to the shops and businesses, which are friendly and provide a focal point for the community, but not many new businesses are moving in; growth has stalled, it would appear. But in another area, South Queensferry, the high street is bustling. Why is that? It is because it is a completely different entity. It is a tourist attraction, where small independent shops are found alongside well-respected one-off hotels and restaurants. It has a clear strength and is playing to it. In the other areas, it would be a positive step if the local communities, authorities, planners and business leaders were given the opportunity to talk frankly about the direction in which they should and could move.

The Portas review makes 28 recommendations, covering many things that I do not propose to discuss in any great detail. All of them are important parts of the solution, but the experience in Edinburgh shows that the solution for each area—each separate high street—will be different and will need different elements of all these suggestions and many others if there is to be success. Local involvement will be key to delivering that. In England, the focus will be on the national planning policy framework, but in Scotland I await the national planning framework 2 monitoring report from the Scottish Government to see whether progress will be made.

Finally, I wish briefly to discuss new technologies, which were mentioned by the previous speaker, and their role in the success or decline of our high streets and town centres. The growth of online shopping has often been associated with the decline of familiar high street names—

[Mike Crockart]

Woolworths and HMV, to name but two—and I cannot argue wholly against that view. Indeed, Interactive Media in Retail Group forecasts from last year suggested that high street spending would drop by 2% over Christmas while online spending would increase by 16% and that 25% of seasonal shopping would take place online, with 12% being made via a mobile. Some 58% of large stores now have mobile websites; m-commerce is beginning to have a huge impact.

However, modern technology is not always the enemy. In the more rural part of my constituency, residents and business owners face cripplingly slow broadband connection speeds. I am campaigning for improvements, because not only do residents have a right to fast, reliable internet connections, but businesses need them in order to flourish and grow. I have been contacted by numerous business owners who say that the poor connection slows down card transactions in their restaurants, that without a website that they can update quickly and easily their business suffers and that any subsidiary online shopping facilities are limited because of the poor provision. If the connection could be improved, the online might not always lead to off-street sales.

The key to saving our high streets lies in allowing them to diversify to meet diverse demand. In some areas, such as South Queensferry, this will be achieved through tourism, whereas in others, such as Corstorphine, it will occur through meeting local needs. I believe that this Government are willing to work with local communities, authorities and businesses large and small to turn the tide. It is a refreshing and very welcome attitude.

5.3 pm

Chris Ruane (Vale of Clwyd) (Lab): I welcome the Portas review, which is well researched. It makes 28 excellent recommendations, many of which I agree with. Portas mentions out-of-town supermarkets and shopping centres. My constituency has not had any of those for 15 years; it has had town centre supermarkets and town centre shopping centres, which are a lot better than those out of town. However, in Prestatyn, in my constitutency, Somerfield and Tesco each owned half of one such site, and I believe that some of the supermarkets have land banks. These are not so much about developing their own stores as about keeping other stores out, and that issue needs addressing if we are to develop town centres. Where town centre developments are coming, the time scale should not be 15 years; it should be a lot shorter. When these town centre shopping centres are built, the impact on the local community should also be assessed. While there is a lot of building, disruption and road works, the Valuation Office Agency should be proactive and should give businesses the forms to apply for a rate reduction. This should not be left to happenstance or accident.

Let me also pay tribute to Tesco. When it said it was going to establish stores in my constituency, in Prestatyn and at the Cathco site in Denbigh, I wrote and asked whether it would take 50% of its employees from the dole register, and it agreed. There can be some positive benefits. If companies are developing near the town centre, they need to be integrated as far as possible with the town centre, with lots of coach parking that will benefit not just the shopping centre but the high street, too.

My constituency is blessed with a long-established market in Prestatyn. A market has just been established in Rhyl by a man called Ray Worsnop without a penny from the public purse. He set it up, he made mistakes but it is now up to 50 stalls strong in the centre of Rhyl high street. When someone is trying to establish a new market there are often tensions in the community. As Mary Portas says, we should establish markets and even car boot sales in the town centre.

Jim Shannon: As the hon. Gentleman says, the Portas review is very important. It mentions America and France, but not good practice in Northern Ireland. One example of that is the chamber of trade working with the council to provide financial incentives, such as reduced car parking charges and a transport system that brings people from the edge of towns to the centre.

Chris Ruane: I absolutely agree. We should look not just to England but to England, Scotland, Wales, Northern Ireland and beyond. If best practice is out there, let us bring it back to our high streets. I welcome the hon. Gentleman's intervention.

Markets, as Mary Portas said, will be integral, but how do we establish new markets? What are the lessons to be learned? She also mentions the social aspect of town centres. In Rhyl, we are trying to bring the town alive. The piazzas and public performance areas are empty. Young children who have trained for the children's eisteddfod go down to Cardiff to perform, but do not perform in their own high street. We have a folk club, a jazz club, a music club and an operatic society: they should be doing public performances. There should be dwell time within a town centre, so people can sit, listen and talk. That is what Mary Portas is saying and we should be listening to her. In Rhyl and Prestatyn, which are seaside towns, we have promenades. The word "promenade" means "to walk". We do not do enough walking or socialising. We are all on this treadmill of work, work, work and work. We need time to relax and we should be relaxing in our high streets—*[Interruption.]* Especially in Rhyl.

Mary Portas also addresses the issue of empty shops, and a lot more can be done. Empty shops and derelict properties bring a bad image to a town. In my home town, Rhyl, about six or seven derelict properties were filmed by national TV crews over 20 years. A sign outside one of the properties had been altered so that it read that it was Rhyl's biggest receiver of stolen goods—nothing had been sold there for 20 years, but the TV cameras would come along and pan across the sign. I went up a stepladder with some black paint and painted it out—two years later, the building was demolished. It should not be left to the antics of a maverick MP to blot such things out; it should be done by the local authority.

Agreements are already in place; councils have section 215 powers. I believe that Hastings council is one of the best in the country in this regard, and I urge other hon. Members to look into it. It sent me a full pack that said exactly what our councils could be doing. Section 215 action can be taken against derelict properties that bring the neighbouring properties into disrepute. Those measures are already available, but they are not being used. Compulsory purchase orders should be used and the whole procedure should be streamlined.

There are many excellent suggestions. Mary Portas also mentions providing a disincentive to landlords to leave premises empty, especially when children's groups, local artists and voluntary groups are looking for places to use. It is much better to see a light on in a building and actors performing, painters painting or children gathering together, than to see windows shuttered and covered in Billy Smart's circus posters, seagull faeces and all manner of detritus. Empty shops should be converted into something positive for the community.

5.9 pm

Mr James Gray (North Wiltshire) (Con): I shall be brief because a large number of hon. Members are trying to catch your eye, Mr Deputy Speaker, and because I suspect that a great many of them, including the hon. Member for Vale of Clwyd (Chris Ruane), want to say the same kind of thing and are generally in agreement with the excellent Mary Portas report, to which I shall not refer further except to say that I broadly support most of its 28 proposals.

Hon. Members with an idle moment or two might find it amusing to look at my first-class website jamesgray.org, which was done not by me but by others, where they will find among other things, very wickedly, a video clip of my maiden speech. If they watch that they will see a fresh-faced, dark-haired, slender and keen young fellow speaking from these very Benches some 15 years ago.

Chris Ruane: What happened?

Mr Gray: This is what happens when someone represents North Wiltshire for 15 years. In that speech, I went to some lengths to address some of the issues that we are talking about, namely that my constituency had a number of small market towns surrounded by beautiful rural countryside, and how we could prevent that countryside from being built on. That shows both that nothing changes and, I hope, that I have done a reasonable job of living up to my promise and preventing developers from building all over my beautiful constituency.

My constituency provides a case study of these issues; indeed Mary Portas or others might want to use it as a case study or it could be part of one of her pilot studies. We have a variety of market towns, some of which have more flourishing high streets than others. The most famous of those high streets, internationally, at the moment is that of Royal Wootton Bassett, where we have a superb community spirit. Why do we have that spirit? Because Royal Wootton Bassett has a flourishing, vibrant high street and no out-of-town shopping. There is a very good Sainsbury's, which is 100 yards away from the town hall at which we all stood in silent remembrance of our passing fallen soldiers until very recently.

Equally, in the town of Calne, we have a first-class supermarket right in the town centre. In Malmesbury so far we have no out-of-town shopping, but in the neighbouring town of Chippenham, which is just outside my constituency, there is a large number of out-of-town shopping centres and I am afraid that Chippenham high street is not as vibrant and great a place as it once was. I expect that my hon. Friend the Member for Chippenham (Duncan Hames), who I think will be speaking in a moment or two, will seek to explain why that should be.

This is not just about shopping, it is also about housing. Chippenham is currently looking to expand by 4,000 or 5,000 houses. This very afternoon, people in Trowbridge at Wiltshire council's headquarters are considering a strategic way forward for areas such as the Birds Marsh estate, which is just outside my hon. Friend's constituency but in my constituency. I very much hope that they will listen to local people, some 600 or 700 of whom have said they want no further expansion of the town of Chippenham into my constituency. The same issues apply elsewhere. We have to keep our high streets vibrant by preventing developers from spreading out into the countryside.

That brings me finally to a very interesting case in point—the town of Malmesbury. At the moment, two applications are in place, one from Waitrose and one from Sainsbury's, to build out-of-town shopping centres outside Malmesbury. They claim those centres would provide x hundred new jobs, and of course they might, but in reality they would be jobs that currently exist. They claim that Malmesbury would benefit under section 106 agreements because there would be buses from Sainsbury's car park into the town centre and there would be a staircase from the Waitrose up to the town centre. They say, "There would be all sorts of benefits for the people of Malmesbury. Aren't they lucky to have us, Sainsbury's and Waitrose, coming to build in the town?" But, no, we are not lucky at all. Waitrose and Sainsbury's are going there for one reason only: to make a profit for their shareholders out of selling groceries to passing trade. That is of no benefit whatever to the town of Malmesbury, and I very much hope that the local authority, when it considers this matter, will turn down both applications—from Waitrose and Sainsbury's.

Malmesbury has a vibrant and superb high street with a great community, which is not dissimilar to that in neighbouring Royal Wootton Bassett. If we allow the building of two new supermarkets on the outskirts of the town or of housing, which has also been threatened around the outskirts of Malmesbury, we will land up with urban sprawl of the worst possible kind and with a reduction in the vibrancy of the high street, which would become similar to those in one or two other towns in our area. I appeal to the planners who are sitting in Trowbridge this very afternoon considering these matters to realise that if we allow developers to build on greenfield sites, that is precisely what they will do because they want to build on greenfield sites. Only by preventing them from doing so will we force them to build in our town centres, to redevelop brownfield sites and to redevelop and add vibrancy to our town centres.

5.14 pm

Derek Twigg (Halton) (Lab): I congratulate the hon. Member for Nuneaton (Mr Jones) and the Backbench Business Committee on their work in securing this interesting debate.

Given the time available, I shall deal with just two or three issues, in particular what can be done generally. VAT is a big issue and Members have already talked about how we could improve business rates. We should consider how we can do more to encourage the private sector to invest in town centres and high streets, by being proactive with councils and in the local community. We also need to look at some of the laws and regulations

[Derek Twigg]

in terms of what could be done better to streamline compulsory purchase and to promote fairer competition between small and large retailers. Although supermarkets get a lot of criticism, they provide many jobs, as the likes of Morrisons, Asda and Tesco do in my constituency. Indeed, Tesco is about to open a new superstore and we also have a major distribution centre. In Widnes, those companies are all in the town centre and add to it, although there is an impact on some other shops.

The situation is different in Runcorn.

Sarah Newton (Truro and Falmouth) (Con): The hon. Gentleman talks about getting more private investment into town centres, with big and small retailers working together. Does he agree that business improvement districts, such as the one we have in Truro and Falmouth, are an excellent mechanism for doing that?

Derek Twigg: I completely agree that it is important to get small and larger retailers working with the local community and the local authority. I should also like reinforcement of the powers of councils to stop too many takeaway or betting shops setting up in town centres, which is a problem in many areas.

I want to compare two towns in my constituency: Runcorn and Widnes. With a chemical industry heritage, Widnes has done particularly well. The town centre has been turned around, and there are a number of large supermarkets; in fact, Asda moved from an out-of-town site to the town centre. There has been good development of land in the area to promote such initiatives, which involve leisure as well as retail. We have a cinema and a bowling alley and an ice rink is coming. Widnes has done well to attract retailers and other investors to the town centre.

A key factor in attracting people has been Halton borough council's deliberate free car parking policy. It has also ensured that car parks were built. As other Members have said, it is nonsense to try to rule cars out of town centres; people want to use their cars and we should encourage them to do so, while of course improving public transport links to our town centres and high streets.

In Widnes, there has been some impact on local retailers and a number of the older businesses that were there when I was growing up are there no longer, although Geddes bicycle shop still provides the same excellent service for the community. However, other shops have been set up in the town centre to serve niche markets and that is an important factor.

On the other side of the river is Runcorn, whose town centre has not done so well, despite Halton borough council's excellent investment in development. One of the problems, and perhaps a lesson for the future, is that when Runcorn new town was set up, some individuals decided that we needed a new town centre a mile or two away from the existing one. It is called Runcorn shopping city, and although it is not a great success it had an impact on the traditional town centre. That has been a major problem, so when new towns grow in future and there are developments with significant numbers of houses we should learn the lessons from what happened in Runcorn.

The council has not had the success it wanted, so a year or two ago I took the initiative and set up a working group involving local residents and retailers, the chamber of commerce and the local authority. We explored how we could work together to bring developers to Runcorn town centre to try to regenerate it with more shops and retail. That means, as has already been said, that we need more people living in the town centre.

In Runcorn, we are particularly blessed with waterways, such as the Bridgewater, Mersey and Ship canals, so there is an attractive area to be developed in the town centre. There is great desire for that among my constituents, but great frustration that nothing has happened. The town centre is typical in that it has been harmed by other developments that have taken place over the past 10 to 30 years. Supermarkets have not been built in the town centre, but away from it. The town has many attractions, and that is part of the issue. We have to build on a town centre's strengths. We heard that town centres should not all be the same, and should not all look the same, and the way forward is niche shops and a different type of design, building on an area's strengths. In Runcorn's case, the waterways can make it an attractive place to live, shop and eat.

Those are the sort of things that we must explore for our town centres in future. Involving the local community is crucial, and if we can develop residency and housing, that will bring people to the town centre, so that it does not become a ghost town at certain times of the day or night. I believe strongly that the Mary Portas report introduces many good ideas. Some powers already exist for councils to use, but we should look at how we can further improve powers to level the playing field and make it easier to develop those areas and bring in extra investment.

5.20 pm

Stephen Mosley (City of Chester) (Con): I would like to speak about a modern, British high street success story, rare as that is. Despite the obvious challenges facing the retail industry, the proactive approach in Chester in the past few years has resulted in resounding success. Our high street is the epitome of what towns and cities across the country should aim to achieve.

As many Members will be aware, Chester is a beautiful, historic city with a long history as a market town. Like every other part of the country, we face a threat to our traditional economy as a result of increased competition, internet shopping and out-of-town retail parks. Over the past three years, however, Chester's high street has beaten the recession, and the statistics speak for themselves. As the Portas review highlights, excluding central London, high street footfall has fallen nationally by about 10% in the past three years. In Chester, however, we have had three years of consecutive growth, and our high street vacancy rate is similarly outperforming the rest of the UK. Compared with the rest of the country, Chester has proved to be remarkably resilient.

In the foreword to her review, Mary Portas speaks of the complex web of interests and stakeholders involved in the health of a high street, noting that many of those parties simply fail to collaborate or compromise for the greater good. Her solution is to put in place a town team to provide vision, strategy and strong operational management for high streets.

Caroline Nokes (Romsey and Southampton North) (Con): Does my hon. Friend agree that success and resilience are the result of empowering local people to make the decisions that will affect their local area, and in towns such as Romsey that is exactly what should happen when there is an out-of-town planning application for a Tesco store?

Stephen Mosley: I cannot speak for Romsey, but in Chester, that is exactly what we have done. That approach was identified by the Conservatives when we took over the council in 2007, and resulted in the creation of Chester City Management, a body of local stakeholders, independent of the local authority, whose sole focus is on bringing footfall to the city. Many of the areas highlighted in the Portas review were identified by Chester City Management as the key to future success.

I should like to focus on one of those areas to showcase the way in which a little ingenuity and flexibility can make a significant difference to footfall. Town centre car parking, as we have heard, is vital to the economy of any city or town centre. Car parking that is too expensive, or a lack of car parking, has just one effect: to discourage people from visiting town centres, encouraging them to travel to out-of-town shopping centres instead. In Chester, we had year after year of inflation-busting increases in parking charges. Car parking was treated as a cash cow rather than as a tool to help local business. When I took over as the executive member responsible for car parking on Chester city council in 2007, I was all too aware of the detrimental effect of limited, high-cost parking on our high street. Along with the city centre manager, Mr Stephen Wundke, I thought up and launched Chester's free after three scheme, offering free parking after 3pm every day in three of the city's major car parks. The scheme was specifically targeted at local residents to encourage them to visit the town centre after school pick-up or work. Unlike the hon. Member for Halton (Derek Twigg), the local Labour party did not like it and claimed that the reduction in car parking income would mean higher council tax and that residents would end up subsidising visitors to the city.

Andrew Percy (Brigg and Goole) (Con): To give my hon. Friend a further example on the same point, this very day my own council, which we took control of from the Labour party last May and which introduced free car parking, has been criticised by the Labour group for daring to reduce its income from car parking. In our area free parking, as my hon. Friend described in Chester, has increased footfall substantially.

Stephen Mosley: Absolutely. My local Labour party complained not just about that, but about the extra cars that were coming to the city. But despite Labour's objections the free after three scheme was launched. It was supported by a huge publicity campaign in the newspapers and adverts on local radio, backed and funded by local businesses, and it was a huge success, seeing a massive increase in footfall in the city after 3 o'clock. Three years later it is still free after 3 in Chester, and footfall is now up by 23%. Free after three has been copied in towns and cities across the country, and it has even made its way into the Portas review, on page 27, as a model of best practice for others to follow.

In Chester, we have worked harder and smarter than most to keep our city and our high street vibrant. It is a credit to the local authority and organisations such as Chester City Management that we have been able to beat the national trend. It just remains for me to extend an open invitation to all right hon. and hon. Members and people outside the Chamber: if they wish to see first hand a thriving and successful high street, they are all very welcome to come to Chester, put their hands in their pockets, spend their money and enjoy their visit.

5.26 pm

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Thank you, Mr Deputy Speaker, for calling me to speak in the debate today. I congratulate the hon. Member for Nuneaton (Mr Jones) on securing the debate. I warmly welcome his speech and the tone of it.

My constituency covers the towns of Hyde, Stalybridge and Mossley, as well as some smaller localities, all with their own high streets. The people in these towns care very much about the future of their town centres and high streets, and they are concerned about the decline that they have seen. I welcome the chance that we have today to discuss the Portas review.

Over the past year I have been working closely with local businesses, particularly in Stalybridge where the decline has been the fastest, to try to find ways of supporting our town centre. I welcome the support and inspiration that that report has provided. The review points to many of the concerns that have been highlighted by people I have spoken to in Stalybridge, such as fewer reasons to visit the high street and limited parking when they do. It presents a number of measures that could attract shoppers back to the high street in greater numbers. I want to say immediately that I support very many of the ideas contained in it.

Creating strong identities, providing greater strategic vision and ensuring that towns have a range of outlets and opening hours that match the needs of their customers are among the sensible measures that could be used to make a real difference. The acknowledgement that it is not just about retail is crucial. In addition, the review contains specific proposals, such as reclassifying the use category of betting shops, and suggesting measures that could rid our town centres of the blight of empty and derelict buildings—things that I very much support. However, it is important to recognise that a number of elements in the report would require significant investment, whether that is reduced business rates or free parking. It is difficult in the present climate to see where those resources might come from.

Today I want to share with the House some of the challenges faced by traders in my local towns. For those Members who have not yet been lucky enough to spend time in Stalybridge, I shall say a little about it. Stalybridge is a former mill town which has the Huddersfield narrow canal running through it. It has benefited in the past from regeneration to open up that canal and the area around Armentieres square. Many of the former mills have been transformed into loft-style apartments by companies such as Urban Splash. It has a population of over 20,000 with a range of incomes and housing, from social housing to properties currently on the market for more than £1 million, so it should be able to support a decent town centre.

[Jonathan Reynolds]

In the past the focus has been on the night-time economy, leading some people to dub us "Staly Vegas", but on its own the night-time economy is too limited a vision to sustain a thriving high street and town centre. Stalybridge has good transport links to Manchester and Leeds, and it could be an ideal choice for those seeking a leisurely cappuccino by the canal or an afternoon browsing in the shops.

Andrew Bingham (High Peak) (Con): Does the hon. Gentleman, whose constituency neighbours mine, agree that one of the problems is getting people into and out of town centres? I am sure that he does, as we are having a joint meeting on Friday to discuss roads. I have spent many hours on Mottram road trying to get into and out of Stalybridge. We have a joint problem with roads and access that is further cramping the town centres of Stalybridge and Glossop in my constituency?

Jonathan Reynolds: I thank the hon. Gentleman, and I agree with his comments. In this case it is not just about traffic going through Mottram and Hollingworth in my constituency, but about how we can open up the asset of the Peak District national park in his constituency, which would be very much to our benefit.

Mr Deputy Speaker, you could spend a pleasant afternoon in Stalybridge, given its location and amenities, but unfortunately alongside our picturesque canal there is currently a burnt-out health club, which is an eyesore, and a once thriving pub that is now boarded up. Frankly, it looks a bit like a bomb site. There is an empty former police station and a former NHS clinic nearby, and an increasing number of shops on the high street are empty and shuttered up. As a result, few people now think of a visit to our town centre as an afternoon out.

Derelict buildings are a blot on our townscapes. Landlords are often reluctant to maintain their buildings or sell them, particularly if their value has fallen, and the powers to force those owners, who might not even live in this country, let alone the community, to take any action can be cumbersome and difficult to enforce. I have been working with my local authority to try to rectify the worst cases, particularly the burnt-out health club, but I recognise that it is very difficult, and that we are asking local authorities to incur significant liabilities at a difficult time, which they are not always in a position to do.

I am pleased that the Portas review recognises the detrimental impact that empty properties can have and calls for an exploration of further disincentives to prevent landlords from leaving units vacant. Removing empty property rate relief from landlords who fail to invest in their properties, or fining those who keep a significant proportion of their portfolios empty, are both measures that should be looked at. Dealing with derelict buildings would make a real difference in Stalybridge, and I would be keen for my town to pilot any scheme that would help. I suspect that I will not be the only Member making that request today. Indeed, this is such an important part of the review that I believe that it could have gone even further.

As has been mentioned, parking is a significant factor in the health of our town centres, particularly when supermarkets and out-of-town developments can offer free parking. The review's solution is to suggest free parking schemes. Appealing as that might sound, we must recognise the reality that many local authorities are struggling for resources and, if they were simply forced down that route, might choose to sell off their car parks instead.

Our town centres could have a very strong future. The report recognises that retailers change but there is still a role for town centres if we get the offer right. I welcome the opportunity to discuss it today. I would like the Government to tell us how they will take forward and implement the report. I hope that it can be used as a springboard for communities such as mine to take a lead in designing their town centres in future.

5.33 pm

Mr Mark Spencer (Sherwood) (Con): I am grateful for being called to speak, and I compliment my hon. Friend the Member for Nuneaton (Mr Jones) on securing this important debate. The number of Members present indicates how important this matter is, not only to us but to our constituents.

I shall start by outlining the situation in my constituency. Sherwood comprises a number of small former coalfield towns with high streets and market areas. They are all are under enormous pressure, but those individual towns face very different challenges and vary greatly in their approach to them. In summary, there is no silver bullet that will solve individual problems, which have to be sorted out at local level, and many different challenges have to be addressed. Some of those challenges affect all the towns and are similar wherever we go. Many Members have talked about the rateable value of properties once they become empty, and the challenge of how to put pressure on landlords to let them.

Landlords have a role to play, however, because when they are approached by individual retailers about empty properties, the rent that they want to charge and the length of the lease that they want to offer on shops can sometimes be an enormous challenge to anybody wanting to start a small business. Somebody who has not run a shop may want to dip their toe in the water, and then take the big leap and start their own business, but if they approach a landlord who wants an extraordinarily high rent and a very long lease, they can find it daunting to commit themselves to that process and sign on the dotted line, knowing that they might expose not only their business but their home and other assets. So landlords have a role to play.

Local authorities have a role to play as well. Members have mentioned parking schemes, and it is worth reiterating the impact on someone's decision-making process of the cost of parking a vehicle. They may want to buy just a newspaper or a pint of milk and think, "Where am I going to do that?" If they have to pay 50p to park their car to buy milk, they will choose somewhere free of charge, rather than somewhere where they have to pay almost the price of the bottle of milk to park before they can buy it.

I compliment the councils local to me that have taken the trouble to abolish parking charges so that residents can make that choice, but we have to understand why charges are in place. In my constituency there are places where, once charges have been completely removed,

other residents use the spaces to park and ride into the city of Nottingham, blocking up car parks and preventing shoppers from using them.

There is also an enormous emphasis on consumers. Many Members have mentioned supermarkets located close to a high street, but they will not be successful unless consumers make use of them by going in there and spending their money. Consumers are very good at saying, "We want our high street to be successful," but sometimes they talk the talk and do not walk the walk: they use supermarkets rather than supporting their high street. Consumers cannot have it both ways, however. They have to make use of the high street and ensure that they support the shops in their community.

We also need to look at the physical size of the high street. In certain towns it may be possible to convert some properties from retail to residential use and thus shrink the high street, to make a more concentrated area of shops, where we can address their quality, fill the empty ones with shops from the periphery and allow for the residential use of the peripheral properties. That would have the knock-on effect of taking the pressure off the green belt around our towns, and we could include residential areas on our high streets.

I am grateful for having had this opportunity to speak, and I encourage my constituents to go out and make use of their high street. The strapline for this debate should be "Use it or lose it".

5.38 pm

Phil Wilson (Sedgefield) (Lab): I congratulate the hon. Member for Nuneaton (Mr Jones) on securing this debate. The future of the town centre and the high street is a subject that probably affects every constituency in the country. I shall take this opportunity to describe my experience of town centre development, because ever since I became a Member at the 2007 Sedgefield by-election, the future of Newton Aycliffe town centre has been an ongoing issue. In fact, my first Adjournment debate was about the town centre and the problems that it was facing.

Newton Aycliffe was one of the first new towns established under the New Towns Act 1946, and work on it started on June 28 1948. William Beveridge was the first chair of the Newton Aycliffe development corporation, the first row of shops in the town was built in 1952 on Neville parade, and construction of the town centre itself began in 1957.

In those early years the town centre was seen as a bustling environment with thriving shops, and everybody of a particular age in Newton Aycliffe has fond memories of it, but then, in the 1960s, things began to stall. The planners could not make up their minds about the future direction of the town and its predicted population, and as a result hesitation stepped in. There were plans for a new town centre, which were eventually rejected.

In 1963 Lord Hailsham's report on the future of the north-east predicted an increase in the town's population, but because of hesitation and a poor decision-making process, it took 12 years from the Hailsham report and the consent of a Secretary of State before a few shops were built. In 1974 a leisure centre was built. By the 1980s the town's biographer, Garry Philipson, said in his book "Aycliffe and Peterlee New Towns" that there was

> "indecision and consequent lengthy delay regarding the new towns' target population and, subsequently, the form of town centre redevelopment."

The delays and setbacks have continued into this century, but I think that we have started to turn the corner over the past three years. About 10 years ago Tesco built a store about 500 yards from the town centre. Today that is taking £1 million a week out of the town, which has a population of about 28,000. People might comment on the superstore's hold on the town centre, but everyone still seems to use the shop.

The town centre is still making progress. The old dilapidated health centre has been demolished, Wilkinson has opened a new store, and the row of shops in Dalton way has been demolished. That will make room for a new Aldi supermarket, which will be built and opened in the course of this year, adding welcome competition for Tesco. The leisure centre is to become the site of a community hub with a new library, newly configured health provision and a community space. The structural monstrosity known as "the ramp", which links the centre's two floors and the car park is to be dismantled, and a row of shops near the leisure centre is to be demolished, creating a thoroughfare. That will open up to the outside world a town centre that currently seems enclosed and uninviting to potential customers.

For the residents of Newton Aycliffe, the history of their town centre has been laced with a good dose of frustration. In the past few years I have experienced that frustration myself. To bring a halt to the delays and ensure that progress could be made, my predecessor arranged for the planners, developers and other stakeholders to sit down around the same table to thrash out their problems at the beginning of 2007. That was the first time that those people had sat down together in the same room to work out the problems.

There have still been frustrations. For example, before planning could be agreed for the Aldi store, a stopping-up order had to be in place on a footpath. That process could not run concurrently with other planning issues, but had to happen sequentially, which caused unnecessary delay, given that the path has not been missed and the process was holding up economic development and job creation. The planning regime does not need wholesale reform, but some common sense must be applied when implementing the existing planning regime.

Even with the best will of the developers, planners and stakeholders, the bureaucratic nightmare generated by the utility companies was a problem. The gas and electricity companies would arrange to sort out problems on the building site of the new supermarket and then knock back the date. They found pipes that they did not know were there. I have spent many phone calls to the utility companies trying to get them to stick to the plans. Some Members might argue that such incompetence is the preserve of the public sector, but I can guarantee that it is not.

I believe that we are now turning the corner in Newton Aycliffe. I say to my constituents in the town that although they might walk through the centre and think that things are not happening, they can rest assured that they are. We look forward to having a prosperous town centre in Newton Aycliffe.

5.43 pm

Dr Phillip Lee (Bracknell) (Con): I congratulate my hon. Friend the Member for Nuneaton (Mr Jones) and the Backbench Business Committee on securing

[Dr Phillip Lee]

this timely debate. It gives me an opportunity to speak about ongoing town developments in Bracknell, which I celebrate and support. I will talk about those developments, Bracknell itself and make some personal suggestions of what might enhance the town and make it more sustainable.

Bracknell is geographically at the heart of Berkshire. More than 100,000 people live in the Bracknell Forest borough. It is surrounded by some relatively affluent areas. Consequently, a town centre development is a viable proposition. The Work Foundation last year named Bracknell, jointly, the location likely to recover best during the economic recovery. It has a growth sector in technology, with 11 of the 15 biggest software companies in the world based in or near Bracknell. However, the town centre itself needs development. It is fair to say, and a widely shared view, that the centre of Bracknell does not look its best. It has long needed a development plan, and one has long been in the pipeline.

I am very pleased to say that although the majority of town development plans were being shelved because of the economic downturn at the time I was selected as a candidate in 2009, one of the four that were not was for the development of Bracknell. It is ongoing, and one has only to come to Bracknell to see the first stage of it: the Waitrose store that was opened recently. It is 36,000 square feet—a massive store—and we are extremely pleased with it. We have a long association with Waitrose, as its distribution hub for the entire country is in Bracknell. Indeed, it is the largest private employer in my constituency. There is widespread belief that the first store there will lead to others. I gather that a couple may be in the pipeline, to be announced soon, which would lead to further stores.

Of particular interest to the people of Bracknell is Winchester house, widely referred to as the old 3M building, although that great company has now relocated to another part of Bracknell. It is a big building in the middle of Bracknell and not particularly attractive, and I gather that a planning application will be put forward for its demolition and its replacement with new residential units and leisure and retail facilities. There is also planning permission for a £2 million transformation of the Princess square shopping centre frontage.

In the next couple of months there will be a presentation by the Bracknell regeneration partnership announcing the next stages of the town development. Originally it was going to be a £1 billion development to happen in one go, but economic reality means that it has been broken down into a series of developments. I have every confidence that it will be completed by the end of this decade.

I have my own suggestions. First, if there is one thing that we have learned in the past 10 or 15 years, I hope it is that consumption is not everything. I would very much like to see some culture in the Bracknell town development. I believe that feeding the soul is just as important as feeding the stomach, and I should like to see a theatre or cinema there. One has only to go a couple of miles to South Hill Park to see a wonderful arts centre. I am not suggesting for a second that it has not got wonderful grounds, but it is remarkable that a centre that is struggling for funds cannot be tied into the town centre development. I would certainly support that. There is also an absence of a museum celebrating Berkshire life. There is a long history of royal links and so on in Berkshire, and if a Berkshire museum were to be set up, I believe it should be centred in the county's geographical heart, which is Bracknell.

Bracknell is going places. It has always been an economic hub, and I have every reason to believe that it will strengthen its position, particularly with such outstanding town development plans. The local borough council is to be congratulated on its leadership, as of course is Bracknell regeneration partnership, which is co-owned by Schroders and Legal and General, which own the great majority of the land. We need to ensure that the plans are sustainable, so we need to consider public transport, perhaps including links with Crossrail. The town's sustainability and its contribution to the long-term health and happiness of all my constituents are of paramount importance to me.

5.48 pm

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): The main high street in my constituency was rocked by the riots on 8 August, but the effects of the riots have not been the main problem for the high street. It was already struggling, and businesses now tell me that turnover is down by between 25% and 45%, and footfall down accordingly.

The impact of Westfield in Stratford has been dramatic. It has even affected the high street chains in Mare street, as they have bigger stores in Westfield to which people go for the wider choice of products that they can offer. Often, people use local shops for convenience during the week but tend to go to the bigger shopping centre at weekends when they have time to choose their retail centre.

The council and its partners in the town centre forum have been proactive in running events and activities to address that decline, such as ice rinks and personal appearances by celebrities and sports stars, but such things cannot be done on a weekly basis and do not help on their own. There are long-term plans, including for an outlet store offer to build on the success of the Burberry outlet store, which is a well visited international shopping space in Hackney—for those hon. Members who are keen to get a cheap mac, it is in Chatham place. Mare street also has the only Marks & Spencer in east London, so it is a shopping centre that has many things to offer, including independent stores such as Mermaid Fabrics, Argun Printers and Stationers, and others.

Some of the improvements that Mare street needs can be led or supported by the private sector, but local leadership, which takes many forms, is needed. Additionally, the council is looking into pedestrianisation and support for businesses to improve their retail offer very much along the lines of what Mary Portas outlined in her report. With the *Hackney Gazette*, I have launched an award scheme for local shops to encourage them to up their game. Local residents will vote for their favourite shops in a number of categories.

Planning powers, particularly in respect of bookmakers, are a big issue. Hackney has more bookmakers than any other London borough, and we need a change to the law.

Dame Joan Ruddock: My hon. Friend will know that I have a private Member's Bill that establishes a separate use class for betting shops. It is due in the House on Friday. Does she agree that if the Minister chose to let that Bill through and provide it with time, we could solve the problem of the proliferation of betting shops on our high streets?

Meg Hillier: I completely agree with my right hon. Friend. I hope the Minister is listening to the debate and to the support on both sides of the House for that private Member's Bill, which will make a difference.

I have focused on Mare street, but in the time remaining I want to touch on some of the other high streets in Hackney. Three main markets sum up Hackney: the Ridley road market, which is a traditional fruit and veg and general market, is in the constituency of my hon. Friend the Member for Hackney North and Stoke Newington (Ms Abbott); the Hoxton street market, where you can buy three pairs of knickers for £1, should you so wish, Mr Deputy Speaker; and Broadway market, which I also recommend, where a loaf of bread costs about £2.50, but is very nice. As hon. Members may gather, each market represents a different aspect of my constituency.

Broadway market, which is on a small street off London Fields, is an example of what can be achieved with local determination and drive. Traders and residents took matters into their own hands and established a Saturday street market in 2004. It has been a great success for local businesses and created an attraction for visitors. Andy Veitch of the traders and residents association told me recently that they like to think of the market as more friends, less frenzy. That pitch sums up some of today's debate. We want Hackney shopping centres to be friendly and welcoming places to shop, which is a different offer from the out-of-town malls, particularly Westfield.

Broadway market began a customer survey at the end of last year because traders and residents there are aware that they need to keep up the best of what they are offering, particularly in this recession. They are also aware that they need to work together. They are fearful that a new Sainsbury's Local will open nearby, but they are proud of what they have achieved, maintaining a mix of the low-cost, useful shop, and niche shopping with a thriving café culture. One local delicatessen employs 27 local people, which is quite different from some of the metro stores that open.

Hoxton street market is in the most southerly part of the constituency. It has not been thriving, but with a vibrant business man newly working with the council, we hope that that will change. It is early days, but I am hopeful. I put on record my respect for Councillor Philip Glanville of Hoxton ward, who has done an awful lot to get that moving.

Tesco has been mentioned a number of times, and I cannot speak about retail in Hackney without mentioning it for two reasons, the first of which is that it was in Hackney's Well street that the young Jack Cohen started out in 1919 with a market stall, selling a few days later the first branded tea—Tesco tea. Secondly, Tesco now has stores across Hackney, including a large one in Morning lane and one in Well street. Not all residents are happy about the number of Tescos, but that makes it an important player, even in a borough that prides itself on its independent shops.

I was heartened when I spoke to the manager of the Well street store. He made it clear to Tesco headquarters that he did not want a fresh meat counter in his 2012 revamp because there is a good and well-used local butcher outside his door. Of course, the desire to support local businesses is not entirely selfless—Tesco and other big retailers will benefit from an environment that attracts shoppers—but it is important that businesses work together, which they often do not do enough.

I have not had enough time to mention Chatsworth road, but there has been great local innovation there too; or the Shoreditch Boxpark, which has become a shopping centre because of an innovative approach by the council—containers have small shops in them on short-term leases to allow retailers to experiment.

The Portas review is important, and I wish to highlight a few key points. Regeneration led by businesses works best. Too many of one type of shop is not good. In Hackney, we have too many bookies and money shops. We have quite a lot of Pound shops too, and my hon. Friend the Member for Hackney North and Stoke Newington has a 98p shop in her constituency—ever the discount in the recession. We need more local control, but that needs to be well thought through to avoid perverse outcomes, and we need to harness technology rather than see it is an enemy. We should encourage local websites and local linking of the internet with local shopping.

5.54 pm

Mark Menzies (Fylde) (Con): I congratulate my hon. Friend the Member for Nuneaton (Mr Jones) on securing today's debate and the hon. Member for Hackney South and Shoreditch (Meg Hillier) on her interesting contribution.

Before I entered the House, I spent 15 years working in the retail sector for three of the biggest names on the UK high street. I welcome the Portas review, for it contains many valuable points. It has taken us away from the traditional debate, in which it was said that the demise of the UK high street is down to out-of-town supercentres and supermarkets. The report identifies salient points, and it is a credit to the House that we have focused on them today.

In the time allowed, I do not want to go over ground that other right hon. and hon. Members have gone over—I want to move on to some fresh territory—but I wish to highlight the importance of landlords, particularly for small independent shops. Far too often, people who want to have a go and set up a shop face long-term leases of five or 10 years—added to the cost of rent, shop-fitting and staff, such leases become a deterrent. I appeal to the Minister and landlords: let us encourage flexibility and short-term lets.

In recent years, we have seen the trend of pop-up shops, where people are encouraged to take up a three or six-month lease agreement. Far too often, such shops sell fireworks or Christmas trees. I encourage landlords to be far more imaginative and to give people who want to have a go the opportunity to succeed or fail.

Meg Hillier: The hon. Gentleman might be interested to hear that a scheme for young people was set up in a derelict shop in Hoxton street. In order to do that, the property needed a shop front. It is now the Monster

[Meg Hillier]

Supplies shop, where people can buy jars of snot and eyeballs. It attracts a certain type of visitor—it is very popular at Halloween—but is that a good example of what he is talking about?

Mark Menzies: That is a very good example. I never thought that Fylde or Lytham St Annes would have anything to learn from Hackney, but perhaps in this case it does, and I suggest we do so.

When shops are left empty, they are far too often left in an appalling state. As the hon. Member for Vale of Clwyd (Chris Ruane), who represents Rhyl, pointed out, they are left with posters on windows or boarded up. That does not make them good neighbours, so I encourage local authorities to use all the powers at their disposal—we perhaps need additional powers—to force landlords to leave empty properties in a state that makes them good neighbours and not an eyesore for the community.

David Simpson (Upper Bann) (DUP): Does the hon. Gentleman agree that as well as encouraging landlords, we need banks and finance houses to help small businesses? People who want to start small retail businesses cannot provide the security that banks require. We need to alleviate the difficulties with banks to encourage people into entrepreneurship.

Mark Menzies: Our friends the banks of course have a role to play, but I wanted to focus on landlords, because, as I am sure the hon. Gentleman agrees, bank support for small businesses has been well covered in previous debates.

One sensitive item—I wish to be as non-controversial as possible—is the role of charity shops. Charity shops take up a disproportionate number of shop units in many high streets. I would not wish to decry the role that charity shops have to play—the income raised by them is important, particularly for small, independent, local charities—but perhaps now is the time to review some of the considerable benefits that are given to them.

Landlords often prefer to sign a lease with Oxfam than to take the risk with an independent retailer. The security of Oxfam versus the uncertainty of a start-up independent can distort the local market. Also, charity shops do not have the bigger costs that many retailers face. The biggest cost for any retailer is the one that walks through the door on two legs—namely, the staff. Charity shops often trade on the generous support that they receive from volunteers. Given that backdrop, I do not think that it would be wrong to put the support that we give to charity shops on to the table for a timely review, to see whether we need to move past that.

It is also worth pointing out that charity shops do not always sell stock that has been donated by members of the public. We often see items for sale such as books that look brand spanking new. They might have dropped out of a major retailer's chart and, rather than being sent for pulping, they might be sold on at nominal cost or donated to the charity for resale. Oxfam has more shops selling books than Waterstones, and that imbalance needs to be addressed.

I want to mention briefly the importance of carrying out trials. Several Members have offered their high streets as hosts to trials today. I must advise the Minister that, when he picks towns in which to carry out trials, he should remember that no two high streets are the same. A seaside town is very different from the suburb of a city centre, which in turn is very different from a rural market town. It is therefore important to pick a wide cross-section of perhaps 20 or 30 town centres for the trials. The amount of money needed to be invested in such trials would be negligible, because, if they were done properly, the private sector could become involved. I urge the Minister to look at one of the recommendations in the Portas review, which relates to getting the major chains and supermarkets involved.

In 2007, I won one of the few awards that I have won in my life. It was the IGD/Unilever social innovation award for work that we had done in a town called Huntly in the north-east of Scotland. We were opening a supermarket there, and the independent butcher and baker in the high street were under threat, but if we can get the major retailers involved in the right way and at the right level, they can be part of the solution, rather than part of the problem. That can also help to mitigate some of the costs.

Like other Members, I would like to offer up a town in my constituency to take part in a trial. It is the town of Kirkham. In it, there is a lady who runs a bookshop. She also sells ice cream and runs a tearoom in the shop. As the leader of the retailers in the town, she would be willing to lead a pilot scheme. If we want to send a signal that Britain is open for business, I cannot think of a better way of doing it than getting our high streets open for business.

6.2 pm

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): In common with Members on both sides of the House, I welcome the Mary Portas review. I want to talk specifically about one of its recommendations, which pertains to betting shops and the planning regulations that apply to them. I want to talk about the scourge of betting shops, partly because I have campaigned on the issue for some time and partly because they are a particular issue in Hackney and other inner-city areas. Unless people live in an area such as Hackney, which has seven or eight betting shops on one high street, they cannot understand the scourge that the proliferation of those places represents.

We have seen a surge in the number of betting shops over the past decade, particularly in inner London. I think that there are now 90 in Hackney, which is three times the national average. That is why I am glad to have this opportunity to address the House on the subject. There are nine betting shops on Mare street alone. On that street, next to the historic St John's church, we have a beautiful 19th century town hall, on which millions have been spent on renovation. It had been leased to the Midland bank since the 1930s, but in the 1990s the council sold the freehold to the bank—now HSBC—which promptly sold it on to Coral the bookmaker. That is the pitch that we have reached in the inner cities: that heritage building is now a bookmaker's.

Let me say something about bookmakers for the benefit of Members who do not know much about them or who do not go into their premises. In many

cases, they are the equivalent of casinos, with highly addictive fixed-odds betting terminals. Often, there are many of these in one shop. Members might say, "Well, it is people's choice if they want to place a bet. Why is she being so prudish?" I have no moral objection to betting shops; my objection is to their proliferation. As I have said, there are between six and eight on our high streets, and children might have to pass four or five of them on the way from home to school in Hackney.

I also object to the predatory nature of the betting shops in the inner city. As I have said, there are eight or nine on Mare street, and nine on Green lanes in Harringay. Betting shops put nothing back into the community, and they add no vibrancy. The pattern of new betting shops opening within the M25 shows that they have targeted the poorest areas with the highest unemployment and poverty. There are three times the number of betting shops in Newham as there are in Richmond. What could be more predatory than that? The people who can least afford to bet are being tempted by four or five betting shops in a row. Furthermore, hundreds of public order offences are committed outside betting shops every week, contributing to low-level social disorder.

I have campaigned on this issue for many years. I have written to and met Ministers and council leaders, and I have tabled early-day motions. The problem is one of planning. Betting shops fall within use class code A2, which covers financial services. That means that it is possible to turn banks and building societies into betting shops. It is even possible to switch the use of restaurants and takeaways. The Gambling Act 2005 does not give local authorities any real scope to limit the number of betting shops. Year after year, my own Ministers wrote back to me saying that they believed that local planning authorities had strong planning powers available to them to control the development of betting shops. That was not true; it was clearly the line that officials took, but it was not true.

I very much welcome Mary Portas's recommendation No. 13, which covers the planning regime for betting shops. It is headed: "Put betting shops into a separate 'Use class' of their own", and I support her when she says:

> "I also believe that the influx of betting shops, often in more deprived areas, is blighting our high streets."

After many years of campaigning by local residents, and of local authorities finding themselves caught between angry residents and a Government who claim that authorities already have the necessary powers, I suggest that now is the time, following the trigger of the Portas report, for Ministers to give local authorities the power, in this one respect, to give the high streets back to the local communities and to end the scourge of predatory betting shops in some of the poorest communities in our country.

6.7 pm

Stuart Andrew (Pudsey) (Con): It is a pleasure to speak in the debate, and I congratulate my hon. Friend the Member for Nuneaton (Mr Jones) on securing it. I do not think that I have ever taken part in a debate in which snot and knickers have been mentioned, so I look forward to reading *Hansard* tomorrow.

I welcome the Government's review—it was long overdue. Let us face it, the problems of town centres are not a new thing: they have been occurring for some time. We need to create vibrant areas that are exciting to visit and in which social gatherings can be held. It is therefore important to deal with this issue. Mary Portas's analysis is a good one. Shopping has changed, as have our habits. Where we go to do our shopping has also changed. There is much to think about in the report, and there is much in it that I support, although there are other bits with which I have a few issues.

I think that we are all in danger of simply repeating our maiden speeches today, because we are all, quite rightly, talking about our own constituencies. I shall do the same. The name of my constituency does not fully describe the area I represent, because I represent not only the town of Pudsey but the many other towns and villages around it. I want to talk about two examples today. In the Farsley and Calverley area of my constituency, there is a large out-of-town shopping centre, containing one of the biggest branches of Asda as well as one of the biggest branches of Marks & Spencer. It has had an impact on the towns of Pudsey and Farsley, because people travel out to the site.

Local enterprises are trying to get people back, however. Pudsey Business Forum, for example, has an excellent Shop Local campaign newspaper. It has also printed its own bags and held lots of events in the town. Recently, we were delighted to welcome back Pudsey bear at a Children in Need event, which was superb.

A local councillor in Farsley, Andrew Carter, should be congratulated on working closely with shopkeepers who are putting on street events to encourage people to come along. The church is also getting involved in the community. Many of the towns that I represent are old mill towns, and far too often mills have been knocked down and new houses built on them. In Farsley, encouragingly, two mills are renovating their buildings to attract businesses. One has all different types of businesses, including high-tech businesses, but the other is considering attracting retailers so that it can become an exciting place to visit. That is really good.

Another part of the constituency, in Guiseley, Horsforth and Yeadon, has been helped by the fact that the main supermarket, Morrisons, has built on the high street, which has encouraged people to go through the town centre on their way to do their weekly shopping. There are many lessons to be learned there, because we have changed our habits.

Mr David Hamilton (Midlothian) (Lab): Does the hon. Gentleman agree that many supermarkets act as hubs within towns? For years, my area has had a Tesco in town, and people do their shopping in town and finish in Tesco. People now do weekly shopping, not daily shopping.

Stuart Andrew: I agree absolutely with the hon. Gentleman. We can see the difference. The town centres are still struggling—these are difficult times—but the fact that there is a major supermarket on the high street encourages people to do their weekly shopping there and then have a look at the other shops.

In many constituencies, parking is the big problem. Far too often, in the towns that I represent, from early in the morning through to fairly late at night, commuters take up the parking spaces that would otherwise be available to shoppers. In fairness, councils are trying to deal with the problem by introducing shorter-stay parking.

Julian Sturdy (York Outer) (Con): My hon. Friend is making some powerful points. Is there not a big issue with the loss of parking in certain areas because councils are looking to retail their assets and use parking assets to fund council projects? We are losing parking spaces, which is having a big impact on town centres.

Stuart Andrew: I concur. It is important that where there are limited parking opportunities, we do everything possible to ensure that the parking is right for the area. I am delighted that my areas are now introducing time limits. I have one problem with a supermarket in Guiseley, however, that has caused huge problems by not working with the council. I hope that I can use this debate to encourage it to do so.

Finally, I want to talk about empty shops. My hon. Friend the Member for Fylde (Mark Menzies) had a go at charity shops. As someone who used to work for a charity, I found them an invaluable source of income. In some cases, they can bring life and vibrancy to a town centre—it is important to say that—although it might not always be desirable. In Armley, people have used their shops as centres or beacons of art, as a result of which they have not remained empty and unattractive. That has encouraged people to go along and have a better shopping experience.

It is good that we are having this debate, because it shows that we are in touch. MPs get criticised all the time but we are in touch with what is going on and we care about our town centres. We were once described as a nation of shopkeepers, and long may that continue.

6.14 pm

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I commend the hon. Member for Nuneaton (Mr Jones) for securing this timely debate. It is clear that there is concern about these issues across the House. The problem has come to a head recently because of the wider economic climate, but it is important to remember that this is not a new problem—it predates the recession by a number of years. There is evidence in my constituency of town centre decline stretching back at least 20 years. There is no single cause; instead, a malign constellation of circumstances combined to erode the viability of independent and family-run shops.

The trend towards larger supermarkets and out-of-town retail parks is undoubtedly the key underlining issue—others have alluded to it—but it is not the only one. As others have mentioned, there is the growth in online retail, changes in demography and working patterns in local economies, people commuting to work, less time to shop and changing tastes. I can also think of a range of long-standing family businesses where proprietors have reached retirement age and found no one else in the family willing to take it on. In the current climate, it is difficult for newcomers to get into the market or take on that kind of commitment, even if they can get the finance, which is a major challenge.

Turning that around is a challenge not just for national or local government; it also involves traders and, perhaps most importantly, our role as shoppers and citizens. If we want thriving town centres, Governments and local authorities need to work together to play their part. We should not, however, dodge the dominance of the large supermarkets and its consequences. There is no doubt that they are hard to beat on price and range and that they offer free parking and many other things that people have mentioned. Furthermore, those who think that supermarkets are the closest thing to Dante's third circle of hell can now order all their shopping online and get it delivered.

That is all very well but small shops cannot compete on price and range of goods, or provide free parking. Those of us concerned about the demise of our town centres need to put our money where our mouths are, use our shops and not do all our shopping in one shop. If we do all our shopping in the large supermarkets, they will quickly become the only places where we can shop.

It is important to consider alternatives. People have come up with lots of good suggestions today, but in my constituency the small business bonus scheme, introduced by the Scottish Government, has provided a lifeline in recent years to smaller, independent shops. Shopkeepers in my constituency have told me in no uncertain terms that their business would not have survived the past three years had their rates bill not disappeared. Furthermore, the small business bonus is arguably a huge incentive for new businesses and entrants to the marketplace because it reduces start-up costs and mitigates some of the costs associated with a new retail business.

The £60 million town centre regeneration fund introduced in Scotland in 2009, with cross-party support, has also played a part. We have seen projects across every local authority area devised by local stakeholders. They have enabled communities across the country to improve the appearance of their facilities, make them more accessible and create more than 1,000 jobs. Local authorities have a particular responsibility to push forward regeneration, to take action on parking charges, which others have mentioned, and to ensure that planning decisions do not undermine town centre regeneration.

It is important that local authorities enforce the planning conditions that they place on big supermarkets outside town. The hon. Member for Fylde (Mark Menzies) mentioned Huntly. That was a great scheme in theory—it is not in my constituency— but in practice there has been much controversy because planning conditions placed on Tesco have not been enforced by the local authority.

Mr David Hamilton: May I point out what happens when local authorities try to challenge big companies, such as Tesco? We are talking about small local authorities taking on a multinational company, the legal department of which is often bigger than the local authority so it can take the local authority to court and win. That is part of the problem.

Dr Whiteford: The hon. Gentleman makes a valid point about the challenges and pressures on local authority legal departments. As citizens and shoppers, we have a chance to address that.

Mark Menzies: Will the hon. Lady give way?

Dr Whiteford: I would love to but I am conscious of the time and of the fact that lots of other Members want to speak.

Some towns in my constituency are doing well and managing to swim against the tide, largely because the supermarkets are in the town centre. However, it only

takes one or two attractions in a town, whether civic or shopping attractions, to make it an attractive place to shop. That has a knock-on effect for everybody. Although many local trade associations feel that they are swimming against the tide, many are doing the right thing and trying to become more attractive to shoppers: many are selling online from their shops, trying to compete with other online retailers, and trying to develop niche markets. They are also working with other traders to raise the profile of a town and make it an attractive destination.

We must recognise that although shopping patterns have changed, retail might not be the only option for our town centres. Banff in my constituency has an exceptionally high concentration of listed buildings. Shopkeepers face eye-watering repair bills in maintaining such buildings. They often cannot perform the renovations they would like to do, and their signage can be limited. It is a bigger issue for the wider community when buildings fall into disrepair or disuse, so we need to look at how to turn businesses, residences and offices back into housing in some cases.

I have been encouraged by all the great ideas that have been suggested in today's debate. I shall certainly take some of them back with me, but I do not think there is one magic solution or a one-stop shop on this issue.

6.20 pm

Mr Philip Hollobone (Kettering) (Con): As the 21st speaker and one of the motion's proposers, I congratulate my hon. Friend the Member for Nuneaton (Mr Jones) on the quality of his speech and on all his excellent work on the all-party group for town centres. I declare my interest as a member of Kettering borough council.

I know that I have fewer than five minutes to cover the four high streets in the Kettering constituency: Burton Latimer, Rothwell, Desborough and Kettering itself. The three A6 towns of Burton Latimer, Rothwell and Desborough are all small town centres, all different in their ways. Burton Latimer has a supermarket, a mini-supermarket, a variety of small shops and a successful farmers market once a month. Rothwell has a variety of small shops as well as a mini-supermarket and a growing reputation for niche and specialist shops as well as attractive places to eat. Desborough is a former Co-op town where the Co-op supermarket has been around for many years, but the Co-up itself has restrictive covenants on a large number of small shops in the high street, which I would contend has been to the detriment of the town centre. Two supermarket chains are now bidding to build supermarkets in and near to Desborough—Sainsbury's on an edge-of-town site and Tesco on a town-centre site—and it is fair to say that the town is split on which of those should go ahead. Kettering borough council has the unenviable task of making the decision on that—next week, I believe.

That brings me to the town of Kettering itself. It is the No. 2 retail town in the county of Northamptonshire after Northampton. It is fair to say that Kettering town centre excites a lot of local comment, favourable and otherwise. In fact, Kettering town centre has weathered the recession extremely well. In August 2009, 88% of the town centre's units were full, which has increased to 90% where the national average is 86%, so Kettering is bucking the trend.

It is also fair to say that there are many myths about Kettering town centre. Local people believe that Kettering borough council sets the rents on all the local shops, when it is really up to the local landlords. There is, of course, a big contrast between Kettering, where there are many local landlords of shop premises, and neighbouring Corby, where there is one landowner in the town centre. It is a lot easier to get things moving in Corby with its one owner than in Kettering with its many. A £5 million Government investment has gone into the new marketplace in Kettering, with new developments in Market street and the Horsemarket. With all this public sector investment, the prospects for the town centre are good.

Now for the bad news. Just down the road, outside Rushden, there is a proposal for a major out-of-town development. According to the local *Evening Telegraph*, this site, which is 224 acres, will be the location for 20 leading UK retail chains, including a large Marks & Spencer, a cinema, a leisure centre, a garden centre, a hotel and a new lake marina. One of the major investors in Kettering town centre has written to me to say:

> "From the plans we have seen and negotiations that we understand they are having with traditional 'High Street' retailers, we are convinced that should a scheme of this nature go ahead it would seriously curtail our ability to invest in Kettering town centre and attract new vibrant retailers to the town…we are concerned that a development of this nature would have a seriously detrimental impact on town centres throughout North Northamptonshire".

In my view, the Rushden Lakes development would be a disaster for Kettering. It is completely against policy 12 of the core spatial strategy for north Northamptonshire, to which all the local councils signed up. I would like to take the opportunity provided by this debate to urge the Government to call in this application once it is registered with East Northamptonshire district council and to turn it down. If the development goes ahead, it will have a seriously detrimental impact on Kettering town centre—as I said, the No. 2 retail centre in the county of Northamptonshire.

6.25 pm

Nick Smith (Blaenau Gwent) (Lab): I am pleased to be called to speak, and I want to cover supporting town centres and the important issue of parking. I congratulate the hon. Member for Nuneaton (Mr Jones) on sponsoring today's debate.

Too many valley town centres are in decline in south Wales. With the closure of Woolworth's a while ago and Peacocks today, important cornerstones of the high street are fading away. Let us hope that Peacocks is quickly rescued.

On parking, as Mary Portas says, there are good environmental reasons why we should not use our cars, but if town centres do not accommodate the car at a reasonable price, shoppers will not be tempted to them. Furthermore, I have in recent weeks gained an insight into how a bad parking machine at a key town centre spot—at Ebbw Vale in Blaenau Gwent—can help to undermine shopping. Following a new private operator taking over the running of a car park there, I witnessed a large number of penalty notices being issued to blue badge holders, taxi drivers and others, which has swelled my postbag and prompted much anger. Good value and easy-to-use parking matter.

Bob Stewart: In my Beckenham constituency, it is not just parking that is the problem. It is the fact that trying to get into the car parks is made more difficult by road works that go up, go down, come again, go again and come again. It is sometimes just appalling. There should be much more planning of how road works are instituted and then stopped and controlled. Does the hon. Gentleman agree?

Nick Smith: I do. Local authorities and utility companies need to liaise much better.

If parking becomes a problem, there is a danger that shoppers will stay away. What does Portas say about car parking charges? She warns councils not to see parking as a soft touch for revenue raising in cash-strapped times. The bottom line is that if we want to rejuvenate our town centres, we have to be sensitive to the needs of car park users. I believe easy-to-use and easy-to-understand parking systems are important, too. People should do the right thing, and pay and display. My constituents are both intelligent and compliant. However, the problems some of them have faced are illustrated by one clear example.

Following the arrival of a new parking operator, Excel, 29 disabled blue badge holders were issued with multiple penalty notices. It became clear to me that they were not to blame. Indeed, when they saw a new sign saying "normal conditions apply" and saw no signage in disabled parking bays, they thought that they could continue to park for free. Well, they assumed wrong, and they received penalty notices of £60 a time. After much advocacy, some are starting to have them taken back.

My experience over these last few weeks suggests that signage is important. If the signage is right, people understand the rules and comply. When I identified the confusion and sought simplicity, I was not surprised to see that my request for a sign saying, "Everybody has to pay at this car park—24 hours a day, seven days a week" did not find favour. That makes me and many others think that some operators are using ambiguity rather than clarity to clobber motorists and boost their profits. If the signage is difficult to understand, the fine print is complex and the font is small, people will be confused—then penalty notices get issued and drivers stay away, so it is the high street that suffers.

Let me share some of the complaints I received. One local resident—I have plenty of similar anecdotes from others—said:

"The ANPR (Automatic Number Plate Recognition) camera is big brother at its worst, with the £60 fine…ridiculous for the 'crime' (this is how they make you feel)…These fines will put many people off going into town, as they will be too scared that they might get another if they make a mistake entering their registration number…I am not disputing the fact that you have to pay to park, just the way this company is bullying people who have innocently been caught out".

Since the onset of the rash of penalty notices and local controversy, I have engaged in protracted correspondence in an attempt to secure fair play for local disabled drivers. As a result, I have learned that when penalty notices are issued—partly, in my view, as a result of poor signage—Excel profits considerably. That cannot be right. Last year a £100,000 bonus was paid to the company's only director, Simon Renshaw-Smith, and in 2010 he paid himself a salary of £398,947—nearly £400,000. Nice work if you can get it.

All that has led me to conclude that independent regulation and appeal services are required to ensure that fairness for drivers is given the priority it deserves. I hope that I have made it clear in my focused contribution that parking is an important issue, and that getting it right will help to achieve our overarching objective: the creation of busy, dynamic and regenerated town centres.

6.31 pm

Angie Bray (Ealing Central and Acton) (Con): I, too, congratulate my colleague and hon. Friend the Member for Nuneaton (Mr Jones) on securing this important debate.

Two town centres define my constituency. Ealing and Acton are part of the same borough, linked by the Uxbridge road and sharing parts of the same community. They are very different in themselves, but a walk along either high street demonstrates that both are experiencing a noticeable decline. Both have been chilled by the effect of Westfield in Shepherd's Bush. But we are lucky, because help is on the way: Crossrail trains will stop at both Ealing Broadway and Acton main line stations, which should kick-start a renewal. The potential is there, provided that we are ready to take advantage of it.

A regeneration programme continues apace in Acton, including work to completely revamp the town hall, a huge but empty building which has cast a long shadow over the high street for far too long. Work is also being done to refurbish the nearby South Acton estate. Encouragingly, just off the high street, Churchfield road is responding admirably. It has a parade of shops, cafés and restaurants that create a buzz and the incentive to shop locally for a new generation of residents.

Sadly, the same cannot be said of Acton high street. We do have a Morrisons right in the middle, and I agree with my hon. Friend the Member for Pudsey (Stuart Andrew) that it provides an invaluable service, sitting at the heart of Acton and even providing car parking, but smaller shopkeepers along the high street complain of a toxic combination of rising rents, increased business rates and dwindling footfall. Clearly none of that is good for their business, although I believe that the local government funding proposals will help.

Ealing was once described as the queen of the suburbs, although the crown sits a little awkwardly these days. The town centre around Ealing Broadway is nothing like it once was: it feels tired. Yet there is much to build on. The centre retains its own distinctive character, which is appealing. It has a strong, mixed community, including young people who often choose to go on living there even when they have left the nearby parental home because it is a good place to be. It has great transport links, and also generous green spaces. Haven Green, Ealing Green and the common are just a few minutes away. Most interesting of all, it has a large vacant site up for sale right next to Ealing Broadway station. If properly developed in tandem with Crossrail, that could be the elusive silver bullet to get Ealing town centre back on track. However, it is a big "if".

The Arcadia site has been the source of much friction and disappointment in the community. The last owners had their plans turned down by the inspectorate, and then went bust. We are all desperately keen for the site to be sold off as a single unit by the administrator, but so far no developers have turned up with the right

money. We must hope that someone does soon, because otherwise it may be broken up, which would be a tragedy.

What are the magic ingredients for a successful town centre? A strong community who are prepared to support their local shops and play an active part locally; good shops providing everything that the community requires, and perhaps a decent department store as a magnet; decent pubs, cafés and restaurants to provide a buzz. Businesses are more likely to locate themselves in lively town centres where there are also good transport links. In Ealing, the Arcadia site could provide all that, but it should not be just about shopping, important though that is. Obviously housing is an inevitable component of a new development, but can we please ensure that it does not all consist of box-sized flats for singletons? Some at least must be decent-sized family housing which will help to build the community for the future.

Town centres should provide their communities with other activities as well, such as arts, fitness centres, libraries, street markets, and open spaces for socialising. There should also be a decent cinema. Ealing, of all places, does not even have a cinema, and has not had one for years. We have been hoping that the old cinema will be resurrected by its owners, Empire, but we are still waiting.

The Mary Portas report makes some interesting recommendations. It suggests that there should be more business improvement districts, plenty of convenient parking —especially at weekends—and a more flexible relationship between landlords and tenants. Perhaps most important is the suggestion that local people should become involved in neighbourhood plans. Obviously there are more such recommendations, but thank you, Mary Portas.

I welcome—at last—Government proposals to repatriate a large percentage of the business rates to local authorities. That is what we need if we are to redevelop the relationship between councillors and their local businesses and, hopefully, allow a new flexible relationship to flourish.

There is so much more that could be said. Our town centres, especially in constituencies such as Ealing Central and Acton, are essential to the life of the community. Governments can help, local authorities can enable and businesses will drive the regeneration, but local communities must be central to the vision.

6.36 pm

Sheila Gilmore (Edinburgh East) (Lab): I did not really intend to speak in the debate, but I have found it interesting to hear many of the views that have been expressed. I believe that we have been given a genuine opportunity to explore a number of different issues.

There is clearly a considerable amount of consensus about what needs to be done, but when I listened to some of the comments about cars and parking, it occurred to me that we ought to be careful what we wish for. I was slightly alarmed when a Member suggested that there should be no objection to people parking their cars in pedestrian zones in order to nip in and fetch their milk, bread and newspapers, because I think that that would be a hugely retrograde step. People do not buy things from shops when they are inside a car; on the whole, they buy things from shops when they walk past them and are interested in them. My constituency contains the historic Royal Mile, where shopkeepers have complained that if parking outside their shops is not allowed, they will lose business. In fact, that is the opposite of what actually happens. There are some fascinating shops in that stretch of road, but I never see them unless I am walking past them. It impossible to see what is on offer in their windows without having the opportunity to stroll past them.

Many Members have pointed out that people need to be able to park reasonably close to shopping centres. Of course we do not want to price people out of places, but we also do not want to prevent the kind of atmosphere that generates trade and business and makes a place pleasant to be in. I do not want to walk through a pedestrian zone knowing that the next minute someone is going to be up my backside with their car because they want to stop and buy something.

It is interesting that so many Members on both sides of the House have recognised the importance of public expenditure as a way of making town centres better places in which to be. However much people want the private sector to come up with all the money, it has not done so in the past. As was pointed out by the hon. Member for Banff and Buchan (Dr Whiteford)—the other Scottish Member who has spoken today—when Governments invest money in improving the quality of town centres, they make them places to which people want to come. I do not think that it is good enough to say that a town centre will be improved if there is no good public investment to prime, and make possible, the kind of private investment that we want to see.

There is another point, which I do not think anyone else has mentioned today. In one part of my constituency, which is a regeneration area, members of a community group are setting up a community development trust. They want to open a local café, to be run on commercial lines. They do not want it to be a cut-price place—they want to make it a destination of choice—but they need capital, because without it the project will not work. Yes, it will be a social enterprise, and we hope that they will make a profit that they will be able to invest in their community, but they are finding it difficult to get it off the ground. Lots of warm words are uttered about how good such ideas are, but community trusts and social enterprise also need money behind them in order to get going. The public sector has an important role to play in supporting the private sector in that regard.

My next point may not be particularly consensual. The primary reason why so many shops are currently closing down is that there is simply not enough consumer demand. No matter how good an idea someone might have for a charming shop with high-quality goods, it will not work if people cannot buy them. Portobello is a seaside area of my constituency. Many interesting shops open there, but then close very quickly. Demand is key.

Lyn Brown (West Ham) (Lab): My local traders tell me that their biggest problem is getting our banks to lend to them. Does my hon. Friend hear that, too?

Sheila Gilmore: Lending is clearly one part of the problem, especially in relation to starting and then expanding a business, but there must also be a market for the goods; there must be people who can come along and buy things.

[Sheila Gilmore]

The current economic climate is very difficult. No matter how many interesting ideas there are for improving the physical environment of shopping areas, if people do not have the income—and for the first time the financial position of people in work is deteriorating—we will continue to see a decline. As I have said, economic growth is key.

Seema Malhotra (Feltham and Heston) (Lab/Co-op): Does my hon. Friend believe that the Government cuts will help stimulate consumer demand and support local shops?

Sheila Gilmore: May I welcome my hon. Friend to the House? I do not think that cutting back in the way that cuts are being made now has been a success. We can be accused of being over-reliant on public sector employment, but we must not take that away too quickly.

Recently, some constituents of mine came to see me because their small shop had experienced a sudden downturn. That was a result of private sector, not public sector, employment factors. They had relied on people in the financial sector in Edinburgh coming into their shop to buy a newspaper or some sweets, and they were going under because that market had gone; the people they had relied on were no longer there. No matter how hard they worked and how many hours they stayed open, they could not make that business work. As I have said, economic growth is the key factor.

6.43 pm

Caroline Dinenage (Gosport) (Con): I welcome the opportunity to take part in this important debate. As has been said, our town centres provide more than a place to do business; in many ways they are the focal point of our local communities.

The community spirit and character of my constituency of Gosport is perhaps best represented by our bustling twice weekly market days in the town centre. The market offers an incredibly diverse range of goods, from sophisticated garden ornaments to truly enormous thermal underwear. It offers the chance to pick up a bargain, but it is also a great social event; people almost always see someone they know and have a chat. The retail shops are busy on market day as well, as it is almost the only time when shoppers are attracted over on the ferry from Portsmouth.

The contrast with normal days on our high street is stark, as it is suffering from a severe bout of depression at present. The number of vacant shops in Gosport now stands at 18. Fortunately, that is nowhere near the worst number of vacant premises in the country, but an inactive high street can demoralise a town and ward off potential investors. Gosport would make a perfect pilot town for the Mary Portas proposals. It has all the necessary components for a winning town centre: a world-class marina, a spectacular waterfront location, a thriving market and, above all, a dogged perseverance, which is so vital in the current economic climate.

Those advantages are, however, counteracted by the disadvantage of being on a peninsular surrounded on three sides by water. As a result, we do not have a particularly wide customer catchment area, and, sadly, a few rogue shops do not help the shopping experience either. For at least the last three years the post office on Gosport high street has been in a state of permanent refurbishment. With pipes and wires everywhere, it is more akin to a building site than a fully functional retail environment. That can only have a negative impact on the fortunes of the high street and undermine the overall perception of Gosport town centre as attractive and economically healthy.

The importance of regenerating the retail sector in Gosport cannot be overstated, as it accounts for almost 15% of total employment and is crucial to the resurgence of our local economy. The slow demise of the high street has occurred in stages over a number of years, with independent retailers being replaced by large chain stores, which then suffered a downturn in their own fortunes as a result of the growth of out-of-town shopping malls and the rise of internet shopping.

However, a British Council of Shopping Centres report has revealed that some internet shoppers are being driven back to the high street by frustration with delivery times and goods failing to live up to product descriptions. We often see successes when areas have come full circle, with independent traders offering a unique or more efficient service slowly resurrecting the high street, and often doing what the internet does but doing it better.

It is also crucial to learn lessons from shopping centres that are doing well. Stubbington in my constituency bucks the national trend, with unit occupancy rates of almost 100%. I put that success down to free parking, easy access to the shops and a large number of independent retailers offering goods and services that cannot be found locally anywhere else. Furthermore, business owners have engendered a real sense of community; I always love attending the annual carol concert organised by the local business community and voluntary groups. Such events help foster a sense of togetherness. However, the council has recently been consulting on introducing parking charges for the area. I hope that the 6,000-signature petition and strong campaigning by the local Conservative councillor—as well as my speech today—will encourage the council to ensure that that crazy idea is dropped.

I understand very well that business, like life, is not always plain sailing. Where businesses in my Gosport constituency are continuing to thrive, that is a testament to their hard work and the support of the entire community. Sadly however, for every success story there is always another business that is struggling to make ends meet or being forced under. I therefore welcome the work Mary Portas has done in looking at the future of our high streets. Without further intervention, we run the risk of undoing any progress we have already made.

I commend the Government on putting high streets at the heart of the new national planning policy framework, and I look forward to their response to the Portas review in the spring. If the recommendations are endorsed, I hope that they will go a long way towards improving the health of our high streets for many years to come.

6.48 pm

Duncan Hames (Chippenham) (LD): Until recently, Chippenham council was at the forefront of a community-led plan to realise the potential of its town centre.

The efforts were led by Chippenham Vision on behalf of Wiltshire council and were hailed by the chief executive of Action for Market Towns as

"beacons of localism in practice."

Sadly however, I have to report that that progress has stalled following a council planning committee decision to approve the massive expansion of an edge-of-town Sainsbury's, which prompted the resignation of the hugely committed Chippenham Vision chair, John Clark. The town has lost—albeit only temporarily, I hope—an impressive advocate.

Such supermarket developments can only be a drain on town centres—in this case not only in Chippenham, but in nearby Corsham too. That is in direct and stark contrast to the Government's stated intentions. Last month I sought and received the backing of the decentralisation Minister, my right hon. Friend the Member for Tunbridge Wells (Greg Clark), for the "town centres first" policy. He clearly stated that the Government's commitment to it

"with all the tests that it requires, is firm."—[*Official Report*, 5 December 2011; Vol. 537, c. 15.]

The evidence from Chippenham suggests that the Minister's words are not being heard.

We are not alone in facing the prospect of substantial out-of-town supermarket development. Property consultants CBRE reported last month that over 40 million square feet of new supermarkets are already planned for this year. It appears that "town centres first" simply is not happening out in our constituencies. We must address this in the national planning policy framework. There must also be a robust test in respect of qualifying for the presumption in favour of sustainable development; local councils must not adopt a take-it-or-leave-it attitude to planning policies, as Wiltshire recently did.

That is what we face in Wiltshire's draft core strategy, which my neighbour, my hon. Friend the Member for North Wiltshire (Mr Gray), referred to in his speech. It is set to conform to the old unlamented south-west regional spatial strategy. Despite the fact that that never came into legal force, council planners choose to claim that it is necessary for their local plan to conform to it now. Their report to the council's cabinet this week states:

"Until the full provisions of the Localism Act come into effect through secondary legislation, the Pre-submission Draft Wiltshire Core Strategy needs to be in general conformity with the Regional Spatial Strategy for the South West unless new up-to-date evidence indicates otherwise."

I had thought that this Government had done something about that, because as far back as July 2010, the decentralisation Minister was good enough to confirm to me on the Floor of the House that he had issued guidance to inspectors saying that they should consider unadopted regional spatial strategies as immaterial. The Under-Secretary of State for Communities and Local Government, my hon. Friend the Member for Bromley and Chislehurst (Robert Neill) is welcome to intervene on me now to give Wiltshire councillors that guidance, ahead of their imminent decision, and confirm that their officers' instructions on this matter are simply wrong. If he does not do that now, I hope that he will manage at least to cover the point in his speech.

The future of town centres lies not in rolling them back to the way they were decades ago, or even in maintaining them just the way they are today, but in giving them the freedom to redefine their role according to local strengths and opportunities, and then in ensuring that the public bodies in the local area co-operate with that ambition.

Mr Gregory Campbell (East Londonderry) (DUP): Does the hon. Gentleman agree that we also need something to shift the balance from edge-of-town and out-of-town retail to town centres? That could be some form of small business relief, which does help to tilt that balance. We have done some of that work in Northern Ireland and I am sure that other parts of the United Kingdom could benefit from tilting that balance, to give small business people and small retailers in town centres a bigger advantage. At the moment, they suffer because out-of-town shopping centres have an unfair advantage.

Duncan Hames: We do need to tilt that balance. That has been the thrust of my speech, and I think that the planning system has an opportunity to do that for us.

Melksham, in my constituency, is to benefit from a central community campus hosting a leisure centre, a library and a youth centre. The council's original intention was to locate the campus out of town, but the decision was reversed as a result of vigorous campaigning by the local community, including local councillor Jon Hubbard, and Melksham Without parish council. Local people are not short of good ideas for the future of the communities that they make their home. One tool that people and their councils can use to help their towns is the bottom-up process established by the Sustainable Communities Act 2007, whereby residents, together with their councils, can put proposals to central Government for action to promote or protect thriving local communities. I note that a quarter of the recommendations in Ms Portas's review are ideas that have come forward as proposals under that Act. Unfortunately, it would seem the process has been put on hold, and we are still awaiting the regulations that will get things going. They are required by the Sustainable Communities Act 2007 (Amendment) Act 2010, and I hope very much that we shall see them soon, so that people and councils will be able to get involved.

As we have heard in this debate, pernicious parking charge hikes, along with people ignoring the "town centre first" policy, the insistence of councils on conforming to the old regional spatial strategies, and edge-of-town, edge-of-bypass development will guarantee that it is easier to move things out to the perimeter than to regenerate town centre locations. Over the longer term, reinvigorating town centres requires innovative ideas about what their future role should be. The future of our market towns should not lie in being dormitories with hollowed-out cores which send commuters out into large cities but have no life of their own. That is not sustainable socially, economically or environmentally. As we have heard, there is no shortage of ideas as to how we can approach this challenge, and Parliament must ensure that the planning system listens to and reflects the ideas of the communities who will have to live with its decisions.

6.54 pm

John Stevenson (Carlisle) (Con): This debate is extremely timely, as many of the issues that have been raised are of great relevance to my constituency, where a potential large development on the outskirts of Carlisle is in the pipeline. We have a well-supported city centre, with a large number of shops, both national and local. The pedestrian city centre is very attractive and well used, and it often holds continental markets during the year. There is reasonable access to the centre for buses and cars, although that could be improved. In general, the city centre is considered to be vibrant and well-supported, and to have much going for it. Vacancies in the city centre are few at the moment, although I accept that there are a larger number of vacancies in respect of secondary shopping and that we may need to address associated issues. I, like many people in Carlisle, want to see the city grow and develop while retaining a vibrant and popular city centre.

The area does have a major development opportunity on the horizon. The local football club wants to relocate its stadium from the centre to the edge of the city, but to achieve that it needs to have an enabling development to make the move financially viable, and that undoubtedly means some sort of retail park. This is a major economic opportunity for the city: we would have new football facilities and supporting facilities, which would be very welcome; a large number of jobs would undoubtedly be created; and there would be a further and improved retail offer. However, there are potential consequences for the city centre that are in line with the thrust of this debate. We have to ensure that our city centre continues to survive and, indeed, thrive while not preventing other development elsewhere. Getting the balance right is crucial for Carlisle and, as has been made clear in this debate, for other parts of the country.

Before I put forward some ideas, I wish to make a few simple points. First, we must accept that we cannot fight against the tide; internet shopping is here to stay and it is likely to grow. Often we cannot prevent developments on the outskirts of cities and, again, we must accept that they will take place. We also have to recognise that no one size fits all; different parts of the country have different problems requiring different solutions. The Portas report raises a number of issues and I support many of her suggestions. I am less sure about others, but we should embrace those that are worth while.

We must fundamentally acknowledge that town centres and high streets cannot stay the same; they must change, innovate and develop new ideas. So what can be done? Many things can be done, but it is local leadership that will matter. I am talking about local leadership creating local solutions. Councils have to take an active and leading role. The development of business improvement districts is a real opportunity for councils. In many respects, councils should treat the city centre as a metro-centre or a shopping centre, and they should be proactive in managing their centre. Planning should be flexible and, crucially, councils should make sure that the city centre is an attractive place to which people want to come. Councils, as well as businesses, must also be investors in the city centre.

However, we have to accept that change will take place: we may have to encourage more residential property in and near the city centre; some parts of the country should embrace tourism—Carlisle should certainly do so; and we may have to accept that there will be fewer shops in the city centre, although there may be more cafés, restaurants and so on. Access is also crucial, and this relates not only to cars, which many hon. Members have mentioned, but to buses and other public transport. The overall goal must be to offer an improved experience, be it of tourism, shopping or something else in our city centres.

Many of the solutions lie with local government, but I wish to discuss one solution that central Government can be involved in, which is providing for standardised commercial leases for terms of up to five years. Basic lease clauses that are accepted across the industry would be enormously beneficial for traders. Indeed, I would go further and suggest that rent reviews should be "market rent only", not "upwards only" and not retail prices index-related. That would give confidence to the traders in city centres and could improve our city centres. We already take that approach towards agricultural leases, so I see no reason why we cannot do the same for commercial leases. I believe that city centres do have a future and we just need to make it happen.

6.59 pm

James Wharton (Stockton South) (Con): Hon. Members from both sides of the House have spoken eloquently about the strength of some of the local high streets in their constituencies across the country and about what those high streets and town centres contribute to the economies in the communities they represent.

In my constituency, there is a small town by the name of Yarm, which lies on the south bank of the River Tees. It is in the old north riding of Yorkshire and, by accident of local government reorganisations, it has found itself in the borough of Stockton-on-Tees. The town has a vibrant high street, a range of independent shops and a strong community. In 2007, the BBC Breakfast show voted it the best high street in Britain—an accolade of which it is very rightly proud. To the great concern of local residents, however, the borough council has decided to interfere in business that is rightly otherwise seen to be that of Yarm and its community.

There has been a long-running debate about parking and traffic through Yarm. That is a problem faced by the town and the solution, which is universally agreed on, must ultimately be one or more long-stay car parks, providing long-term parking provision for the town and freeing up spaces on the high street for trade and visitors. Despite that long-running discussion, however, the borough council has decided to push ahead not with a long-stay parking solution but with the introduction of parking charges—at this time of all times, when national reports specifically recommend free parking as a strong prerequisite driver for successful high streets. The borough council in Stockton risks choking off the growth and success of one of its most successful market towns and local economic drivers because it is failing to listen to what the community in that town says that it wants and needs.

Gavin Williamson (South Staffordshire) (Con): In my constituency, all the parking is free in all the villages and community centres, such as Wombourne, Codsall and many others, and that creates vibrant, thriving

local areas. Does that not show the great contrast between a Tory-controlled council and Labour-controlled Stockton?

James Wharton: My hon. Friend is absolutely right that a Labour council is driving forward parking charging proposals against the wishes of local people and the community, to the detriment of the economy in the town of Yarm, which I am proud to represent.

Martin Horwood (Cheltenham) (LD): In that case, will the hon. Gentleman have a word in the ear of his fellow Conservatives on Gloucestershire county council, since they held a public consultation on imposing parking charges in the Montpellier shopping district of my constituency and, despite the fact that nobody supported the idea, imposed them anyway?

James Wharton: My hon. Friend is very lucky, because his council has held a consultation. We have had promises of consultation from Stockton-on-Tees borough council, but what have we had in reality? An independent survey was commissioned, the results of which are clearly and demonstrably flawed. For example, it overestimated the value of the economy of the town by a factor of three. The flawed survey was then presented to the town council, which sat and listened to the findings and made its observations. It was told, "Thank you very much, but the report has already been written and this counts as consultation in our book." Consultation for Stockton borough council, it seems, means deciding what to do and then telling people about it, not seeking their opinions and input to develop a policy that has local support.

Sadly, the proposals and the report went through Stockton borough council's cabinet in December, just before Christmas. What is happening now? Good hard-working local councillors in Yarm and surrounding communities have signed the necessary forms to have that decision scrutinised. Andrew Sherris, Mark Chatburn and Ben Houchen, who are the borough councillors in Yarm, and Phil Dennis, a borough councillor for the neighbouring town of Eaglescliffe, joined forces to call in that decision so that Stockton borough council would have the chance to look at it again, to think again and to make a decision that better reflects the needs of the community that the council is supposed to serve.

In addition, a row has been running in the local paper; I am sure that everyone will be greatly surprised at the thought that the introduction of parking charges would excite a bit of a row in the local newspaper. Specifically, one of the borough councillors, Mark Chatburn, raised his concern at the lack of consultation before the proposals were pushed forward and Mike Smith, a cabinet member, came forward and attacked that idea, saying that there had been lots of consultation and that the council had consulted over an extended period of time. All I can say to that cabinet member, as someone who has followed this case closely and has talked to Yarm's borough and town councillors, to traders and to residents, is that they do not feel that any meaningful consultation has taken place at all. Had it done so, I can guarantee that Councillor Smith would be getting the message loud and clear that the council's proposals are not the right step for the future of that town.

Last Thursday, there was a public meeting in Yarm to discuss the proposed changes. About 250 members of the public came along on that cold night to attend the meeting, to make their concerns known and to discuss the proposals. I attended, and so did Yarm's town councillors and borough councillors. Borough councillors from neighbouring communities also came along on a cross-party basis—well, on a coalition basis, I suppose, as the Liberal Democrats turned up, as did the Conservatives, but the Labour party did not send a representative—*[Interruption.]* And the same is the case in the Chamber right now. More significantly, despite a request from town and borough councillors and from me personally to the chief executive, Stockton borough council refused to send a representative to that public meeting. It refused to listen to the concerns of the people it is supposed to serve and represent.

You will have gathered, Mr Deputy Speaker, that this is a matter of great concern to my constituents, particularly those in Yarm and the surrounding communities, to which much traffic could be displaced if parking charges were introduced. It is a matter of concern not just because of the plans being proposed but because of the way in which this is being done, because of the high-handed and arrogant manner in which Stockton borough council is driving forward proposals without any consultation, against the will of local people, and because of the way in which officers on the council, such as Richard McGuckin, who heads the highways department, are listening solely to the cabinet members who control what they do and implementing those decisions against the will of local people. People in Yarm, a successful and vibrant market town in my constituency, are losing confidence in their borough council. They feel that they have not been listened to and that their views have not been properly taken into account and they are worried that the decisions being taken now by others who are not representing their views will have a long-term detrimental impact on the communities in which they live.

We have an opportunity, when the proposals go back to scrutiny on Thursday and are then, we hope, referred back to Stockton's cabinet for the decision to be reconsidered, to change the situation and to put things right. In the light of Mary Portas's report and of parking's importance in securing the long-term success of our high streets and town centres, I want to take this opportunity to ask Stockton borough council to think again and to warn the cabinet members that if they do not, the people and traders of Yarm will not forgive them.

7.6 pm

George Eustice (Camborne and Redruth) (Con): I, too, congratulate my hon. Friend the Member for Nuneaton (Mr Jones), on securing this very important debate. In my constituency, all three towns—Camborne, Redruth and Hayle—have faced challenges on the high street and, two years ago, before the last general election, I organised a local conference to discuss some of the issues. Conscious that such events are often attended primarily by councillors and local government officials, I walked through all the town centres and went into every single retail shop to discuss their concerns.

Let me outline the three key areas that repeatedly came up. The first was that the term "town centre regeneration" had very negative connotations for a large

[George Eustice]

number of small retailers. The reason for that was alluded to by my hon. Friend the Member for Montgomeryshire (Glyn Davies) earlier, and it is the disruption that regeneration can cause, of which local authorities often do not take enough account, whether the regeneration involves pedestrianisation or the introduction of one-way systems. In Redruth, for example, the local authority was going to resurface the main car park in the town, but to keep down costs it decided to do so progressively in between other jobs. As a result, it took six months to sort out the main car park in the town, which had a hugely detrimental effect on footfall and trade. The town has struggled to recover. First, we must apply the precautionary principle of "do no harm" if an authority is going to embark on regeneration.

The second major issue to come up was car parking. I disagree with what the hon. Member for Edinburgh East (Sheila Gilmore) said earlier: most small retailers recognise that the single biggest reason why they cannot compete with supermarkets is that supermarkets can offer free car parking. I always remember the managing director of one of our large retailers saying that if a survey is conducted of the public, they will say that they want a picture postcard high street with a fishmonger and a butcher, but when it comes to how they vote with their wallets, 97% do their grocery shopping at a supermarket because they want to open the boot, load everything in and go home. We need to consider the issue of parking and I want to see local authorities using their retained business rates to try to offer some free car parking.

The third issue was business rates. It is a crying shame to see small retailers with new businesses that have sometimes been set up for only six months—who take huge pride in their shops and did not need mentoring by other retail experts or training as they knew what they were doing—find that the rigidities of the business rate system means they go backwards, losing money month after month, which is not sustainable. I think we need to look at ways of making our business rate system more flexible so that we can give more breaks to new businesses that are doing a good job and that, given the time, could achieve so much more.

Much has been said about the report by Mary Portas. I want to pick up on an issue that was touched on by my hon. Friend the hon. Member for Dartford (Gareth Johnson) regarding recommendation 20 about the problems caused by banks. I disagree with his comment that we should not pick on banks. I think we should, because the issue is not about the banking estate and their high street branches, but about properties that they have repossessed, often in a trigger-happy way. We need to look at ways of making it harder for banks to repossess businesses, perhaps by requiring them to get a possession order from the courts before being granted possession of those businesses. That would give the courts the ability to take into account any proposals that banks or receivers have to bring those businesses or shops back into use quickly.

The final issue I want to address concerns the Local Government Finance Bill, which will commence its Committee stage tomorrow. The Bill provides that in the hierarchy of liabilities, a mortgagee who takes possession of a residential property will become liable for the council tax. That is a very important policy, which we should consider extending to business rates on commercial properties. This is a grey area at the moment, but I understand that as a general rule once banks have crystallised their charge on a property and taken possession, they are no longer liable to pay the business rates on it. If we made them pay those business rates, it would create an incentive for them to rent out such properties or, indeed, not to foreclose on businesses in the first place. No doubt the Minister will take some of these suggestions on board and we might consider some of this in Committee.

7.11 pm

Chris White (Warwick and Leamington) (Con): I, too, begin by thanking my hon. Friend the Member for Nuneaton (Mr Jones) for securing a very popular, as well as important, debate. [Hon. Members: "On this side."] Indeed.

All too often, attention is given to our big urban centres, with insufficient attention being paid to the hundreds of towns across the country where most of our population lives. I represent three fantastic towns—Warwick, Royal Leamington Spa and Whitnash. The debate is very timely not least because I will be interviewed by BBC Coventry and Warwickshire tomorrow morning about what will take the place of the police station, the fire station and the courts in Warwick now that they have been lost. The excellent report we have been discussing will give us a basis for some answers.

Towns are smaller ecosystems than cities, and as a consequence they are more sensitive and require greater care and special consideration. I believe that all Members can agree with the main aim of the Portas report—to craft a "town centres first" policy approach to development. Town centres are key. They are at the heart of our communities and are the backbone of our local economies. Independent retailers, of which we are fortunate to have many excellent examples, find it difficult to compete with large out-of-town developments, and this can have a massive impact on other parts of our local economies.

This is not just about retail. When town centre businesses and shops leave or close owing to a lack of footfall, it can make towns look less attractive, which can reduce other income streams such as tourism. The cumulative effect can be that community amenities are significantly affected, creating a general sense of malaise. So this is not merely about keeping a few shops on the high street: it is about how we create vibrant, dynamic and sustainable town centres fit for the 21st century.

We need to remember that town centres and high streets are not the same thing. Town centres are more than just a selection of shops. They are centres for community organisations, public services and important local amenities. They require equally as much care and thought and should not be ignored. Town centres are like any natural habitat. When biodiversity falls, the ecosystem becomes weaker and more prone to collapse. Likewise, when we focus too much on purely retail issues in our town centres, we weaken rather than strengthen them. If we allow our town centres to continue to be too expensive for other sectors, we will limit their potential. People are not merely shoppers. They are sportspeople, music listeners, theatre-goers and seekers of new experiences. The Danish architect who is credited with transforming Copenhagen has said:

"If you asked people twenty years ago why they went to central Copenhagen, they would have said it was to shop...But if you asked them today, they would say, it was because they wanted to go to town."

It is also worth remembering that town centres depend on the loyalty of local people, and we need to ensure that those people have as big a say as possible. I welcome the fact that the Portas review plans to campaign to get people involved in their neighbourhood plans so that we create town centres in which people feel they have a say.

7.15 pm

Simon Hart (Carmarthen West and South Pembrokeshire) (Con): I know that you will not mind, Mr Deputy Speaker, if we return to Wales for a few moments. I want to deal with the twin issues of rates and planning, particularly as they apply to coastal towns, which depend heavily on tourism, and especially towns that fall under the national parks planning regime, which has a significant bearing on their ability to undertake economic activity.

Let me deal first with rates. Tenby has a population of about 5,000 in winter and about 50,000 in the summer, but the ability to negotiate the rates is extremely limited. As a consequence, in the winter shops close, businesses reduce their output, boards go up in windows and people are laid off. That is avoidable, and I make a plea to the Minister. Taken over a short period, the withdrawal of rate relief, albeit predicted and albeit that businesses know about it, can reach ridiculous heights. For example, in local towns such as Narberth in my constituency, figures have reached as high as about 250%, with the consequence that businesses are winding down, shops are closing and people are being put out of work. I suggest to the UK Government and, indeed, to the Welsh Assembly that there must be a neater way of deploying transitional rate relief and a better way of accounting for the fact that seasonal variations in seaside towns can be absolutely huge. Why not have a system whereby rate relief can be more carefully applied in the lower winter months and made up when cash flow might be better in the more buoyant summer months?

The second issue I want to address is planning in national parks. I know that my friends in the Pembrokeshire Coast national park will be suspicious about what I am about to say. I should like to quote one example from the town of Tenby, where a very viable local estate agent applied to take over high street premises that had previously been an unviable pizza parlour. For some strange reason to do with enhanced national park planning policy, the application was turned down. A boarded-up shop that employs nobody and engages in no economic activity remains in the centre of that important town, whereas the alternative would have been to have the lights on in those premises for 364 days a year with six or seven people working inside. There would have been a sense of life and energy returning to an otherwise dormant part of the street, but the only excuse that the national park planning authority could come up with was that the application was outside "policy". Surely, in such circumstances the answer is to change the policy.

If we want towns such as Tenby to be regenerated, if we want economic activity and if we want people to be encouraged to go into town in the quieter winter months, organisations such as national park planning authorities have to be flexible. Their policies must reflect today's economic climate and they must point in the direction of the restoration of prosperity rather than getting too hung up on outdated planning issues. I hope that there are two particular audiences to whom the Minister will address his responses—national park planning authorities, particularly in coastal areas, and the Welsh Assembly Government, who occasionally glance in the right direction when it comes to these issues. However, more often than not, particularly with a Labour Administration, the emphasis has been contrary to the interests of high street regeneration rather than complementary to it.

7.19 pm

Paul Uppal (Wolverhampton South West) (Con): I thank my hon. Friend the Member for Nuneaton (Mr Jones) for securing this important debate. I have to say in all sincerity that it is with great sadness that I rise to deliver my speech facing a sea of green Benches, which is particularly pertinent when we consider that the city of Wolverhampton is among the highest for the number of empty shops. If this is not a vital debate, I am not sure what is; but so be it.

The essential point has already been made. Town centres are not just about retail; the high street is at the very heart of any community. Many Members have referred to their constituencies. Following the riots, and in view of the fact that we have such a high number of empty shops in Wolverhampton, I conducted a survey of small shops and businesses in the city centre to find out why people do not shop there. I was surprised by the No.1 reason—chuggers: people who fundraise, perhaps aggressively. Again and again, shoppers said that the aggressive tactics used by some street fundraisers leave them feeling harassed and intimidated. I was disappointed to learn that people were being discouraged from visiting Wolverhampton city centre and I called for action to address the problem.

In Manchester, there is an agreement between the city centre management company, CityCo, and the Public Fundraising Regulatory Association, a self-regulating body that monitors face-to-face fundraising. They have found a balance between fundraising and leaving people in peace to shop. It is important that that fine line is drawn.

Although I support the incorporation of local communities in decisions about their areas, efforts need to be made to facilitate the process, so I welcome the Government's local initiatives because that is where the solutions to many of the problems will lie. I should also like to offer the Minister some guidance on trust and clarity over tax-incremental financing, which is an issue for the developers of city centres. We have to go back to basics. If we are to see regeneration, we cannot look at the old model whereby development was funded only by bank lending; we need to look at partnerships between local authorities and businesses.

The important word is trust. Be it a local authority or a business, they need to trust each other. If, as has happened in Wolverhampton in the past, a developer wants to take a city forward and a local authority is promising this, that or the other but they get to point X without delivering anything, there is a breakdown in trust. If we are to have effective development and management in these difficult economic circumstances, it is vital that trust is at the core.

[Paul Uppal]

Time is pressing and many colleagues have already spoken about parking. My hon. Friend the Member for Stockton South (James Wharton) made a pertinent point about local communities when he spoke about Yarm. In all my travels, not just in my constituency but up and down the country, I have noticed that there are parts of our country where there are social issues and challenges. Southall high street, Soho road in Birmingham, Melton road in Leicester or even Dudley road in Wolverhampton are in areas where there is deprivation, but there are no empty shops on those high streets. I do not know why, but I believe it is because they are centres and hubs for their communities. We need to harness that in retail development and construction. We come back to the original point: town centres and high streets are at the very heart of our communities.

7.24 pm

Nick de Bois (Enfield North) (Con): I am grateful for the opportunity to speak, and I commend my hon. Friend the Member for Nuneaton (Mr Jones) and the Backbench Business Committee on securing this important debate.

Much has already been said so I shall concentrate on two issues, time permitting. The first is my constituency. Many Members know that the town of Enfield, which is at the heart of my constituency, has a recent history, sadly, of being caught up in the riots. It has been fraught with that difficulty and the current economic climate that faces so many of us.

The wonderful "I love Enfield" campaign, which was started by Fast Signs, one of our local businesses, immediately after the riots tore through the high street, is a prime example of how local businesses, close to their community, are entirely in touch with the individuals and locations for which they provide services. Subsequently, our local Labour council started a "Love your high street" campaign, which I was fully behind, to try to bring traffic to the high street. It is thus all the more baffling that the council has persisted in introducing a steep hike in parking charges, including for Sunday parking, that is causing economic distress to traders and frustration to residents and is penalising churchgoers. It is not acceptable. As one of the local businesses said:

> "If the council...are serious about regenerating town centres...then they need to consider one of the most simple ways of encouraging people to stay and shop in their community."

At the heart of that is parking.

Since its election, Enfield's Labour council has sought to force through drastic changes to parking regulations throughout the borough. Its initial proposals to increase parking charges, in some cases by more than 100%, and to increase the number of charging days to include Sundays and bank holidays, have created a difficult climate for local businesses. The changes faced massive opposition from residents, traders and our local newspapers—*The Enfield Advertiser*, which has launched a campaign, and the *Enfield Independent*. Despite that, the cabinet member for environment, Councillor Chris Bond, still claims that "fairness" is "at the heart" of the decision. However, as the Emma Claire hair and beauty spa salon says:

> "All we constantly hear from our clients is that they no longer wish to shop or use our facilities due to the excessive amount of parking charges that Enfield council has implemented."

It is worrying that Enfield council has refused to explain where the extra income generated will be spent. The cabinet member for finance, Councillor Andrew Stafford, claims that it will be used "to gain additional revenue" for the council's coffers. I question that judgment, because the guidance for the Traffic Management Act 2004 stipulates that merely raising revenue should not be an objective of parking charges. I support the campaigns by residents and newspapers to try to overturn the decision. The council must withdraw its plans, cancel Sunday parking charges, repeal the increases and help, not hinder, Enfield's shops and businesses.

The issue is not all about parking, but we have heard consistently across the House that it is a problem that faces everyone. Our high streets will benefit in future from a long-term strategic view of how to take on our present-day challenges, but I fear that there is disconnect between landlords, retailers and local authorities in achieving a strategic view. To face the challenge for the future, a long-term, investment-led and holistic strategy will be needed that will drive people—with relief, I believe—away from their computer screens and internet shopping. If they see their high street become a destination of choice for social and cultural events, and not least for shopping, we can help to promote our town centres. In Enfield under the Conservatives, between 2002 and 2010, there was a commitment to expand the shopping precinct, and they moved the library and the museum. Now we can take things a stage further. Recently, even volunteer dance groups have appeared in the streets of Enfield, making it a good place to do business and I invite all Members to come and see what a great job our retailers are doing.

7.29 pm

George Hollingbery (Meon Valley) (Con): My constituency town centres—I suspect like those of many Members—have been subject to the development of supermarkets without any real control or the involvement of local people. In Bishop's Waltham, when Sainsbury's recently gained permission to build a supermarket, there was enormous turmoil in the community, and a "them and us" situation was created: half the community was for the supermarket, half against. I thought that I should do some work on PPS4, the regulation that allows unplanned, out-of-town supermarkets and retail outlets to be constructed.

By luck, circular 02/2009 requires any proposal for an unplanned out-of-town supermarket to be reviewed by the Secretary of State, so that he can see if he wants to call it in formally. Records were available for two years, so I could see exactly how many unplanned supermarkets had been granted permission and how many had been called in by the Secretary of State. The answer was that 146 unplanned out-of-town or edge-of-town retail stores had been given permission, and one had been called in. The simple lesson, for me at least, is that supermarkets are extraordinarily well resourced, powerful and practised, and they get what they want. In short, the local plan is not really an effective tool to restrain that undue competition for many of our high streets.

It is time to put people back in charge. Not all high streets are equal, and the quality of high streets varies hugely. However, some are truly more than the sum of their parts. They are the hub of the community; they are a forum for social interaction and a draw for tourists;

they are a marketplace for local products, and a safety net for vulnerable people, particularly the elderly. People notice when certain people are not there, and shopkeepers are aware of those who need looking after. High streets can be heritage centres, and the value of those externalities is simply not contained in models such as PPS4—the method previously used to grant those permissions.

If we consider the needs of social services and GPs, as well as the delivery costs to new markets of businesses that are displaced, those are all costs that the models do not price and do not see. We need to do something about that and let communities decide. Local plans and notional neighbourhood development plans do not allow communities to turn around and say, "We do not want a supermarket here." I believe that they should be able to do so, but there must be a high hurdle. There must be overwhelming community buy-in for the proposal, and we must ensure that there is competitive pricing in that community so that the less well-off are not marginalised. We must demonstrate that the local jobs that would be created are strategically important. If we put all those hurdles in place, is it not right that local people should be able to say no? If they can convince their community that they do not want a supermarket and that they have something special, should they not be able to turn around and say, "Stay away—we're happy as we are"? I think very much that they should be able to do so.

I propose to the Minister that that should be included in the new national planning policy framework. When the Select Committee on Communities and Local Government looked at the issue and wrote a report on the NPPF, it agreed that it was a reasonable idea and it is included in the recommendations. I hope very much indeed that Ministers will consider that carefully and, yes, with high hurdles, ensure that people who live in valuable communities that they do not want to change have the right to say no.

7.33 pm

Stephen Lloyd (Eastbourne) (LD): I thank my hon. Friend the Member for Nuneaton (Mr Jones) for securing this important debate. I work closely with him on the all-party parliamentary group for town centres, and I value his input tremendously. I thank the Backbench Business Committee, too, for granting the debate.

Town centres mean a lot to me, because they should be a reflection of a town's character. That has emerged powerfully today in many speeches. A town centre should be a place where families go to relax and be together, where people can pass the time of day and enjoy themselves, and where consumers can shop, eat, relax and be entertained. As many of my colleagues have debated, it is about so much more than shopping: that is how town centres should work. In short, town centres should be welcoming environments where we all want to go. That is what they should be, but are they? The answer, with a couple of exceptions that have been made clear, is no.

I said that town centres mean a lot to me, but I should have said, given that many of my hon. Friends have taken the opportunity to discuss their own town centres, that Eastbourne town centre is particularly relevant. A few days before the general election, I talked to some independent traders in the town centre. As we have heard from many other Members, they had been fed up for a long time about the way in which the town centre was going, and how town centres generally were going. They were fed up, too, with politicians promising things and not delivering and so on. I spoke to the chap who chairs the Eastbourne independent traders group, and I said to him, "I give you my word, if I am elected, come what may, I will be down to see you the day after the election." To this day, I remember a look in eyes of, "Oh yeah, I won't see you for dust." Sure enough, after the election, with only two hours' sleep, I was down there at midday to say hello and to promise him that I was going to roll up my sleeves and get involved.

One of the first things I did in Parliament was to join the all-party parliamentary group. I am now vice-chair, and it is something to which I am strongly committed. I set to work on Eastbourne town centre. Unlike my hon. Friend, I did not have a great deal of expertise in that area. My background is in business development, not town centres, and I discovered the complexity of trying to get something done in town centres. It is really hard: one has to deal with planning, business rates, and byelaws. In Eastbourne, we have an astonishing number of byelaws that make it very hard to set up a street market—the sort of thing that would make a real difference.

Hopefully, the difference this time is the enthusiasm and commitment that I have shown, along with my local council. It was not always the case, but it is now a can-do council. I said that we had to get a good street market in the town centre, which would act as a catalyst or engine to get things going. The council said that there were a lot of byelaws but—and this is different—it said, "We will do something about it, Stephen." Previous councils, whatever their political persuasion, would just say, "It's too complicated. We're not going to do it."

It took a year and three quarters, but it has been through cabinet. In Eastbourne town centre, opposite the shop where I spoke to that independent trader, there will be a street market in late spring or early summer. It is a start, but as we have heard today, so much of this is about the drive and commitment shown by the Portas review, the coalition Government and the Prime Minister. As an Opposition Member said, this is an old issue that has been around 20 or 30 years but, finally, there is a chance that something will be done. I hope that that is the case because, to be honest, we all know about the state of town centres for the past 20 or 30 years. They have consistently become worse and, with some honourable exceptions, there has not been any real change or improvement.

We are all responsible—politicians, planners and the public—because everything has changed with the internet and the complexities of shopping today. This important debate—I really think that it is important—offers an opportunity so that, in a few years' time, we will look back at 17 January 2012 as the day on which parliamentarians, the Government, the Minister and the public decided, "That's it. We've had enough of our town centres simply deteriorating and going out of fashion. We've got to stop it." We have to begin that fight. There are many reasons why it is important but, most important of all, town centres, when they work, are the heart of a town. I think that they are worth fighting for, and it has been a pleasure to speak in this debate.

7.38 pm

Peter Aldous (Waveney) (Con): I am grateful to my hon. Friend the Member for Nuneaton (Mr Jones) for securing this debate and to the Backbench Business Committee for granting it. I pay tribute to Mary Portas for the hard work, passion and imagination that she put into her report.

We have heard about the challenges that town centres face from out-of-town food stores, retail parks and the internet. Poor town planning has also played a role in the decline of town centres, whether in granting planning permission for out-of-town stores in the wrong places on inappropriate terms, by making town centres inaccessible and difficult to reach by car or public transport, or by doing little to prevent the rise of "same street" syndrome and clone towns throughout the country.

To halt that decline, town centres should be able to compete on a level playing field. We have heard about the importance of retaining the "town centre first" policy. Moreover, Mary Portas points out that the high street can be a hard place in which to trade. We need to make it easier, with fewer rules, regulations and restrictions, and a more balanced tax and rating system.

As for parking, in some towns, such as in Lowestoft in my constituency, the council, working with town centre shops, has put in place more customer-friendly car parking arrangements. However, the Government still need to do more.

Richard Graham (Gloucester) (Con): Does my hon. Friend agree that what Gloucester city council has done, which is to reduce parking charges to £1 an hour, is exactly the sort of proactive work by local government that we need to help revitalise interest in our city centres?

Peter Aldous: I welcome that intervention, and I agree. Councils across the country are doing what they can, but the Government can do more. They should look at how parking at out-of-town stores is assessed for rating purposes. As a chartered surveyor, I do not believe that the current valuation approach truly reflects the value of that car parking to out-of-town retailers and the rateable values should be raised, with the additional funds generated being used to reduce car parking charges in town centres.

With rates, councils should be provided with more discretion over the discounts that they can offer, ratepayers should be able to spread their payments over 12 months rather than 10 months, and the anomaly whereby business rates are increased annually in line with the RPI, rather than the CPI, must be corrected as soon as possible.

Another challenge that needs to be addressed is the fact that there is a lot of unused space in town centres, both at ground and upper levels. We need to make it easier for that accommodation to be put to alternative uses, such as much-needed dwellings, doctors' surgeries, gyms or other community uses. The use classes order, which for so long has acted as a straitjacket, should be relaxed and local councils liaising with local communities should have more discretion about what activities should be allowed.

In Kirkley in Lowestoft in my constituency, Desmond does not have a barrow in the marketplace; he has a superb coffee shop, with unique decor and a "Hancock's Half-Hour" collection to rival the BBC's. An episode is played at 10 am each day. Desmond wants to expand to provide hot food, but at present he cannot do so, as his use would be in the same use class as a kebab shop. That issue needs to be addressed.

Many town centres, including Lowestoft, are blighted by unkempt and dilapidated buildings that discourage people from going there. Councils should be given more compulsory purchase order powers to address such problem properties, and they should be able to serve empty shops management orders.

I agree with Mary Portas that markets should be encouraged. Markets were the procreators of town centres and they have an important role to play in their future. People like browsing around a marketplace. Markets bring people into a town, they provide an opportunity to showcase products or skills, and they give entrepreneurs the opportunity to get their foot on the first rung of the ladder that can lead to running their own business. Across the country, there are too many rules and regulations, too many hoops to jump through, before a market can be set up. Those need to be removed, and to be replaced with a presumption of favour of the right to trade.

Out-of-town parks have a major advantage over town centres in that they are in one ownership, subject to one management regime, with one common purpose. In the town centre there are many players and many stakeholders, with different goals and objectives. We need to help them come together to work as one to promote town centres, as they are doing in my constituency in Lowestoft, Beccles and Bungay. Business improvement districts, for which preparatory work is currently taking place in Lowestoft, can help as well, as can Mary Portas's proposals for town teams.

In conclusion, Mary Portas's report has highlighted a problem that is faced across the country, and this debate has helped move the discussion forward. I look forward to the Minister's summing up and I urge the Government to respond to the report as a priority, so that we can all get on with the important task of bringing life and prosperity back to the country's high streets.

7.43 pm

David Morris (Morecambe and Lunesdale) (Con): I should declare an interest. I own commercial properties in Greater Manchester and I was a shopkeeper for 20 years. I had clothes shops and hairdressing outlets around the Greater Manchester area. For years I have been watching the decline of town centres, and I agree with more or less everything that I have heard from both sides of the House today about the state of our high streets and town centres.

Our shopping habits have changed, and we must recognise that. The internet has been a revolutionary step forward and, as we can all agree, it has good points and bad points. There is more choice on the internet, but the disadvantage is that people cannot hold, touch, see or experience the object unless it is in a showroom. Many town centre shop owners have said that they have become showrooms for the internet market. I know that many suppliers and manufacturers have taken measures to stop certain sales taking place over the internet, but the internet has had a large impact on town centres, as out-of-town shopping has on all our towns across the country.

The good points are that those huge shopping centres provide security, diversity and more choice—but most of all, they offer free parking. They are accessible from the motorways. More often than not they are on bypasses that have been created because every town centre in the land has been pedestrianised. Correct me if I am wrong, but most town centres in this country have been developed through the centuries, most of them in Victorian times, as thoroughfares or crossroads where traders met and markets, and later towns, developed. For the life of me I cannot understand why every major town centre in the UK has been pedestrianised. Cars have stopped going in. The whole infrastructure of a town centre was based on traffic going through, in and out. To compound things further, what did we get in some, if not most, councils? Parking wardens. Private parking wardens—a way of raising money.

Let me tell it like it-is. Where I am from, I still have commercial properties. If I nip into the local town or go to visit my children, I park, and I then have 30 minutes. By the time I have walked into the town centre, which has now shrunk, it is time for me to go back. When I get back, more often than not I have a parking ticket. That discourages people from going into town centres.

Look at what has become of our town centres. As one hon. Member said, they have become the home of charity shops, fast-food outlets and betting shops. A plethora of shops service retail industries. The large high street clothing shops—the Nexts and the Marks & Spencers—will not set up in a small town any more because the units are too small. We now have to look at the planning system. Over the past few years many town planners, rightly or wrongly, have been planning on the outskirts of the town. A bypass road has been built round the pedestrianised town and the situation has been self-perpetuating.

We must start thinking about the future of town centres. The circumference of the town centre will shrink, and the outer shops will more than likely become housing. The town planners should recognise that if we are to attract larger businesses into the town centres again, we must redevelop and create units that will house their current requirements, instead of what happened when town centres were built up, in some cases hundreds of years ago and in other cases as recently as 50 years back.

To sum up, we should re-open some of the pedestrianised towns where applicable, and we should start looking seriously at how to attract businesses back into the centre of towns. More than anything, we should try to work out a better system of parking. Free parking areas would be preferable, but in this day and age I know that that would be almost impossible. Thank you so much, Mr Deputy Speaker, for letting me speak in this debate.

7.48 pm

Nigel Mills (Amber Valley) (Con): It is a pleasure to follow my hon. Friend the Member for Morecambe and Lunesdale (David Morris). I add my congratulations to my hon. Friend the Member for Nuneaton (Mr Jones) on securing this debate.

I have the pleasure of representing a seat with three town centres, Alfreton, Heanor and Ripley, and there are various other high streets. I could go on all night and list them, but probably the three biggest are Codnor, Somercotes and Langley Mill. It will not surprise anyone who has heard the debate to hear that they all face the challenge, to varying degrees, of empty shops and an over-supply of charity shops, take-aways and betting shops. This seems to be true of the whole country.

I was slightly concerned by the local council's report on the retail industry in Amber Valley. I first read the part about the most successful town in the constituency, Alfreton, which shows that in some parts footfall is below the national average. I thought, "That's a bit of a problem, but hopefully we can find a way to fix it." I then read the part about the weakest of the three towns, Heanor, which shows that footfall there is one third of that in Alfreton, which already has a problem. That shows the scale of the problem we face in that part of Derbyshire. Because of the history of old mining communities, there are many small town centres between one and five miles apart servicing 20,000 people, and the old diverse shopping mix, with people walking into town to use the shops, is history. That is no longer how we shop.

Before we look back to a golden age of town-centre shopping, we should think about what we do when we get back home on a Thursday evening at half-past 9 after leaving this place and find that there is no food in the fridge. We go down to the 24-hour Asda and do our shopping there. I am then busy all day Friday. What do I do at the weekend? I go to the supermarket. Those of us who know that that is wrong try to find the time to shop in local shops, for example by going to a local butcher rather than the supermarket. I have found that one of the privileges of being an MP is that I get to convince my girlfriend that we cannot go to the Meadowhall shopping centre, but we have to shop locally instead. According to the Portas review those huge shopping centres offer a great and enjoyable experience, but I am not sure that that is what I have found.

Understanding the problem is easy, but finding the fix is not. I do not think that the fix is for my local council to have to decide tomorrow night whether it wants to sell land on the edge of Ripley to another supermarket. I do not know who is bidding or how many bidders there are, but I do know that having a second supermarket will not help in a small town that is already struggling. The shopping centre might have a pharmacy, an optician, a mobile phone shop, an electrician —you name it, they have it these days—and the town centre already has vacant shops. It has three pharmacies, an optician, a Currys and other electrical shops, all of which will be under direct threat from a second supermarket, never mind the fact that there are already two supermarkets in the town centre that are themselves struggling.

We have to send out the message that if we are trying to save our town centres, we cannot add extra out-of-town shopping that reduces the footfall that town centres desperately need to attract. The council's report states that we might need another supermarket in the Alfreton area in 2026. I look forward to catching HS2 to that supermarket in 16 years' time, but in the meantime I am not convinced that we need it.

It would be remiss of me not to comment on parking, which is a long-running local issue. Our parking charges are actually quite low: 50p an hour is a typical rate. With the amount the petrol costs to get to the car park, I wonder why those charges are such a concern, but

[Nigel Mills]

clearly they are, especially for the convenience store that has reopened in Heanor market place—I pay a huge tribute to Mr Patel for that. His problem is that there is a Tesco store down the road. If I want to buy a pint of milk I can park there for free, but if I want to buy it at his shop I have to find the change, find the machine and pay the 50p, and if I accidentally stay longer I get the privilege of a £25 fine. Finding a solution to that problem is key.

The most encouraging thing about Mary Portas's review is that she did not try to take us back to the golden age of the 1950s or claim that this is just about getting all the shops back. She recognised that we have to do something different, and find different uses to get people using town centres again, whether that is a social use, a health use or something else. The challenge for all of us, and for our councils, is to find something that will work for each town centre, and find a way of making it happen. If that means shrinking the shopping area and moving shops to a viable area, rather than having them too spread out, or if that means finding other uses and allowing empty shops to become restaurants or café bars to try to get that footfall and find a viable use, that is the way forward, and that is what we need to do.

7.54 pm

Dr Julian Huppert (Cambridge) (LD): Liberal Democrats believe that community politics should be at the heart of what we do. Decisions that affect individuals should be made at the lowest practicable level and, when it comes to our high streets and town centres, local communities should be given as much power as possible. That is why I welcome the Government's commitment to protecting our high streets.

The independent Portas review, although not perfect, is a significant step towards undoing the centralising powers that were introduced by the previous Government. Key measures such as business rate reforms, town teams, the general power of competence and neighbourhood plans will enable local people, through their council, to make decisions about their own areas and that affect their own lives. There is much more that can and should be done. As the Portas review identified, the more powers local people have to control their own lives, the more likely they are to create a thriving community, and a thriving community is the bedrock of a successful economy.

In Cambridge, I am fortunate to have an extremely successful city council, headed by Councillor Sian Reid, who is fighting hard to protect our town centre, our local market and our local high streets. We have been doing this for years, so we are more than ready to identify where Government reforms are working and where they will not deliver as expected. However, the story is not all good. This year, Tesco is due to open its 13th store in Cambridge. Despite the best efforts of Sian Reid as council leader, Catherine Smart as deputy leader and myself as the local MP, we have simply not been able to find any legal means by which we can prevent supermarkets from opening ever more new stores on our high streets, even when there is significant opposition from local people. That means that supermarkets in general, and in our case Tesco in particular, will have a very large market share in one place.

The problem is not Tesco itself. It and other supermarkets play an important role and people do choose to shop in them. The problem is supermarket dominance. There are a number of problems. First, there is a stranglehold on competition. A successful economy, both locally and nationally, is based on diversity and people's ability to innovate, adapt and provide the services that people want. What can be done about the supermarket monopolies? The answer is not very much. It is perfectly legitimate under existing rules for a supermarket to have a reasonable market share across the country but a complete monopoly in some towns and high streets. The result is lack of choice for consumers, which is bad for the community and the economy. Breaking these monopolies up is not anti-free market; it is fundamentally pro-fair market and pro-community.

Secondly, local areas retain more money when it is spent in independent and locally owned stores. Local owners are more likely to serve their communities because they live there too. My right hon. Friend the Deputy Prime Minister spoke yesterday about the need for the Government to support worker-owned enterprises. In the same vein, local planning powers should enable locally owned stores. When shops are opened by consent, with the support of local people and under the ownership of local residents, the economic and community benefits are huge and we should support that.

Many of these trends are likely to get worse. We have a housing problem in our country and need to build more housing, but as these new neighbourhoods are formed, we must ensure that developers, when they lease or sell their outlets, take into account independent retailers. I have been told that some developers will sell units only to companies that are prepared to buy 10 or more outlets, which squeezes independents out of new neighbourhoods entirely. For these reasons, I have been working closely with city councillors to see how we can better represent the interests of our constituents by supporting local stores. Local government must be able to influence whether new stores are chains or independents and whether they are small or large outlets, because that is want people want it to do.

One approach we tried was to see whether planning applications could take account of the diversity of shops in a town centre. The push by Cambridge city council became known as the "Cambridge amendment" to the Localism Bill in the House of Lords, and I spoke in favour of it in this place. The Government, however, did not accept that case, but they did suggest using local "use classes" to enable local people to control their high streets, which seems a perfectly reasonable proposal. It would mean that local people could determine that supermarkets are in a different category from small shops and that when shops merge, that would change the class. It would empower local councils, but we have not yet heard from the Government how those proposals would work and the details, despite letters from myself and the leader of the council. I ask the Minister to respond as soon as possible. It is not just about opposing supermarkets for the sake of it. We need to ensure that we have variety and diversity.

We also need to ensure that there is transport. I have been fascinated by the comments made about the need for more cars. There is lots of evidence that improving the walking environment increases retail footfall by

30%, as a study in Exeter has found. People who walk in shopping areas and cycle there or take the bus and train spend more money because they have access. We have to promote sustainable travel. I call on Ministers to look at how we can empower our local communities and give them the powers they need to ensure that we have vibrant centres.

7.59 pm

Justin Tomlinson (North Swindon) (Con): I would like to join the long list of Members who have congratulated my hon. Friend the Member for Nuneaton (Mr Jones), who has carried out an exceptional role in promoting our town centres and high streets. I was very proud to co-sponsor the call to get this debate through the Backbench Business Committee, and we have been proved right that this would be exceptionally popular and justify the full six hours.

I am particularly interested in the issue, both as shopper, when following my fiancé round and carrying the bags. I support my local town centre and am the vice chair of the all-party parliamentary group for town centres, retail and small shops. I have set up a retail forum in my constituency; I support our excellent local bid company in Swindon; I invite retailers such as Lord Wolfson to visit and pass judgment on our town centre; and I grew up in a family of shopkeepers who modelled themselves on the "Open All Hours" sales technique.

Nationally, the last few years have been tough on high streets, with consumers wielding less disposable income, high-profile retail failures leading to large numbers of empty shops, the growth of out-of-town shopping centres and the continued boom in online shopping. For example, this December saw an 18% increase on last December in such shopping, and one in 10 consumers now uses their phone in-store to check the price of goods elsewhere.

For all those fans of Swindon—I know everybody loves Swindon—I must say that even we have had challenges. Over the past five years, there has been a 22% fall in footfall, and the number of empty units is up to 17%, but there is much hope on the horizon.

Turning to the excellent Mary Portas review, I, as her unofficial official No. 1 MP fan, am a great supporter of it, and for me the key recommendations included, very importantly, the need for a town team. We have the Forward Swindon company in Swindon, because developers and retailers want a single point of contact. Out-of-town shopping centres have a single point of contact, and that is what is needed on our high streets. It is important to empower bid schemes, which are essential for creating events, for marketing and for representing traders—for creating that reason to visit and for making the particular town a town centre. I wish the company in Swindon all the best in the referendum to get a second five-year term. I am sure it will.

It is very important to promote the national market days. We all say that we would like more markets in our constituencies, but the challenge is the lack of market traders, so I am delighted that today New college in my constituency and the Blunsdon indoor market have agreed to work with me to give business students the opportunity to man stalls on the market for free in order to get real-life experience.

James Wharton: My hon. Friend has drawn on several things happening in his town of Swindon. Does he agree that they demonstrate that town centres, high streets and markets are not just centres of economic activity, but the beating heart of many communities?

Justin Tomlinson: I thank my hon. Friend for that excellent intervention. That is right.

By giving young people the opportunity to get real-life experience on the market, we may find that they become the next generation of market traders or, even, shop retailers, and they create the independent retail outlets that give our town centres unique character.

Many hon. Members and hon. Friends have discussed the importance of business rates, and I welcome the fact that we are giving greater powers to local authorities. As with all things, there is a limited amount of money, but I hope that if they target anything, they will provide incentives for start-up businesses and, perhaps in particular, young people's start-up businesses.

Parking has been mentioned several times, and I am delighted that Swindon has been praised in the Portas review, because its local council took a brave decision—opposed by Labour councillors who seemed hellbent on abandoning our town centre—to introduce a £2 flat fee for four hours' parking. That reversed the fall in footfall, we had a 10% increase and, crucially, dwell time increased, too. In fact, one café reported a 30% increase in takings, so where, previously, people went into town just to do their banking, now they stop off in a café to refuel and, then, carry on to do some serious spending, which is a real boost for our local economy.

It is right to highlight the need for town centres to be accessible, attractive and safe, and I was delighted to see the £20 million parade redevelopment in Swindon, and that the council has invested £2.8 million in the public, open space in the town centre. It is also important to recognise the transition between the daytime and night-time economies, and with the plans to introduce a late-night levy I suggest that the units paying the levy have a say in how it is spent, as they understand the night-time economy.

The exceptional sign-off rule for all new out-of-town developments has also been highlighted, but we had a town centre Marks & Spencer, and the company planned to build another store on the northern orbital, at an out-of-town site. A deal was struck, however, whereby it would refurbish the town centre store first, so it remained the anchor, destination store.

On affordable shops, it is important to secure the next generation of independent retailers, and I fully support the need for several small units as the entry point for those new businesses.

I fully agree with the comments about doing everything we can to tackle the number of empty shops, and I am delighted that our Brunel shopping centre has reduced its vacancy rate to just 4%, partly on the back of cheaper parking and partly on the back of pushing landlords to make the units useful.

James Wharton: In the light of many comments that we have heard on the Floor of the House today, did my hon. Friend just say—did I hear him right?—that cheaper parking has helped to deliver success at his local shopping centres? It would be useful if he clarified that point.

Justin Tomlinson: Absolutely, and I know that my hon. Friend highlighted a campaign on parking in his speech. Footfall had fallen by 22%, but following the reduction in car parking charges it has increased by 10%, and dwell time has increased significantly, benefiting local businesses.

For all those fans of the various Mary Portas TV programmes, page 43 of the report touches on another area—the need for retailers also to step up to the mark, particularly in customer service and by offering something different. We will not stop supermarkets or out-of-town shopping centres, and arguably we should not have to, because it is up to the market if people choose to go to them, but there is an opportunity for retailers to offer something better and different.

There are two examples in my constituency. The Bloomfields deli in Highworth opened when people said that it was absolutely mad to do so, but because it offered unique products and exceptional customer service it has thrived and opened a further two stores. The Forum clothes store has been trading for 17 years and seen off all sorts of national chains, which have come and gone as fashions have changed, but by building on customer service and offering products that are not immediately available elsewhere it has remained standing much longer than the main competition.

All is not lost, and there is much positive work to do. Members, the Government, local authorities and retailers have roles to play, and I very much hope that, with my promotion of Mary Portas at every opportunity, we in Swindon will have an opportunity to secure our status as one of the pilot schemes, because we are all behind it.

8.6 pm

Martin Vickers (Cleethorpes) (Con): I shall take a slightly less supportive position on the Portas report than my hon. Friend the Member for North Swindon (Justin Tomlinson), who just made a very effective contribution to the debate.

I recognise that our local communities want to retain their high streets and town centres, and ultimately it is in their hands: they will determine where they shop. My hon. Friend the Member for Amber Valley (Nigel Mills) pointed out the attractions of supermarkets because of their all-embracing services at almost every hour of the day and night, but we certainly have to do something to restrict out-of-town developments and to retain the vibrancy of our town centres, because that is what the people we represent most certainly want.

My constituency boasts in Barton-upon-Humber a very good market town, and in Cleethorpes itself the main shopping centre on St Peter's avenue boasts not only the MP's constituency office, but a lively and excellent selection of shops. Another town in my constituency, Immingham, has a reasonable mix of shops, but it, like other places, is desperate. It wants Tesco as part of its regeneration, and I am pleased to say that it is almost about to happen, but we have to recognise that point.

I do not have time to touch on all the recommendations in the Portas report, so we can take it as read that I support most of them, but the town team recommendation envisages

"a visionary, strategic and strong operational management team"

and, having served on a town team as a council representative for many years, I have to say that we struggled because of over-regulation, difficulty and the lack of funding—even at that time, with lavish support from the regional development agency, which achieved almost nothing. Town teams are fine, but nothing will happen without the driving force of a local authority, because it controls planning, traffic movement and car parking.

Much has been said of car parking. Of course, we would all love to see zero charges, but the reality is that car parking provides a net income. I wrestled with this matter when I was a member of my local authority's cabinet, where car parking had a net income of £1.25 million. Yes, that can be reduced. North Lincolnshire council, which is another authority in my constituency, has brought in some imaginative ideas and encouraged growth.

Nigel Mills: Does my hon. Friend agree that when councils get the power to keep any increase in their local business rates, we will soon see whether they are convinced that by reducing parking charges, they can generate extra business rates and therefore extra revenue? Cutting car parking charges might not be a lose-lose game, but rather a win-win game.

Martin Vickers: My hon. Friend has made the point that I was just coming to, so I will skip a few points. However, we have to recognise the difficulties that local authorities face in this regard.

Recommendation 15 of the report talks about an "affordable shops" quota in large new developments. That idea sounds fine, but the businesses that would be drawn to such developments are probably those that are currently in secondary shopping areas, such as the long parades of shops that most towns have, where many of the shops are boarded up or are used as charity shops. The recommendation might lead to more decay and dereliction in those secondary areas. We must consider the knock-on effects.

Overall, the report is to be welcomed, if for no other reason than that it has generated a lively debate in the House today, with excellent contributions. That will feed through into our local communities, where the debate will continue.

While I have the opportunity, I will put one point to the Minister again. We hear much about the regeneration of our cities, which are indeed engines of economic growth. I ask him not to forget the provincial towns, many of which are a long way from a major city. There should not be too much concentration on cities at the expense of the many provincial towns in my region, such as Grimsby, Cleethorpes, Halifax and Huddersfield.

Rory Stewart (Penrith and The Border) (Con): How does my hon. Friend suggest we communicate politically the value of market towns as opposed to cities?

Martin Vickers: That is a challenging question. The reality is that we have been trying to revitalise our towns. As I have said, I served for a long time on my local authority. I was also a member of the Local Government Association's urban commission. We had

countless presentations from highly paid consultants on how this could be achieved, but many of the ideas fell flat because there was not the support of local communities.

The report mentions reinvigorating high streets with market traders. In principle, that is fine, but I remember being the councillor responsible for allowing that to happen and there was a mass uprising among existing shopkeepers, who immediately came to me saying, "I pay my rates and my dues and you are allowing these people to drift in, many of whom have no connection with the town and the community." It is a difficult balance to achieve.

We have to recognise that the success or failure of our high streets and town centres relies ultimately on the customers. It will be determined by the market forces. I want to see our town centres and high streets thrive with imaginative ideas from local shopkeepers, but ultimately the customer is king. Past Times went into administration a day or two ago; we must hope that high streets do not belong to times past.

8.14 pm

Rory Stewart (Penrith and The Border) (Con): That was a powerful concluding statement from my hon. Friend the Member for Cleethorpes (Martin Vickers), who laid out the complexity of the situation.

The truth is that over the past six decades our policy on market towns and high streets has been an astonishing failure. Government after Government have tried almost everything. They have played around with parking and with rates, and they have changed the planning regulations. The result has been a catastrophic disaster. We have gone from 43,000 butchers in 1950 to 10,000 in 2000. We have gone from 41,000 greengrocers to 10,000. The number of fishmongers is now a fifth of what it used to be and the number of bakers is a quarter of what it used to be.

The question is, what do we do? We first need to be tough and serious in recognising the problem. The problem is not simply that out-of-town retailers are large, muscular bullies. First, their growth reflects the fact that it is more convenient to locate a business out of town. It is, of course, cheaper and easier to set up out of town. A shop can have night time deliveries, the rates are much more transparent and it is easier to develop a retail space that suits the retailer. Secondly, as my hon. Friend the Member for Cleethorpes said, customers are selecting out-of-town retailers for their shopping. Thirdly, we need to acknowledge that although out-of-town retailers have had a disastrous impact on our high streets and market towns, they have had a very good impact on the products in our shops. When my neighbour first moved to Penrith in 1955 from the United States, the only way in which one could buy olive oil was to go to the chemist and buy it in a bottle of about 25 ml for medicinal purposes.

So what are we going to do? As everybody has said in this debate, we need clearly to define the value of towns and high streets.

Mark Pawsey (Rugby) (Con): Does my hon. Friend agree that in addition to providing a broader range of products, the supermarkets that he refers to have brought the benefit of reducing the cost of living for many people by reducing the price of basic essentials and the general grocery bill?

Rory Stewart: I agree absolutely. That is why the argument that we have to make is not an easy one. We have to make it because everybody in this Chamber—indeed, everyone in this country—believes deeply in the value of our high streets and market towns. It is not an easy argument to make because in terms of price, market competition and, fundamentally, choice, it is difficult to continue to defend the high street. In order to do so, we need to reach for more imaginative arguments.

We need to explain, above all, the value of public space. The great thing about any high street or market town is that it offers somewhere that is different from the workplace and the home: a civic space in which one interacts with other people. The point of it is not simply a shopping or retail experience, but those innumerable miniature encounters and exchanges of advice and wisdom that create the warp and weft of a community. That is a huge capital resource that we rely on when we talk about the big society, when we look for voluntary activity or when we fight for our local assets, such as in Penrith where we are fighting to save our cinema. We need that local identity and it is conveyed primarily in our lives through the experience of a town or high street.

Mr Marcus Jones: Does my hon. Friend agree that the ambience and experience of the town centre is extremely important? The town centre manager in Nuneaton has a strong track record of putting on entertainment such as Punch and Judy shows, theatre shows, mini opera companies and brass bands. Does my hon. Friend agree that such things add to the ambience and experience when people go to our town centres?

Rory Stewart: Absolutely. Of course, that is a central insight of this debate: a town centre is not simply about a shopping or retail experience, but about a much broader community experience that can range from puppets to the visual elements and even the aesthetics. One reason that Appleby in my constituency is such an appealing place is its architecture. The extraordinary asymmetry and symmetry of our red sand stone, the castle on the top of the hill, the Moot hall and the market cross create something that it would be impossible to replicate in a modern retail space. Those things are not about shopping.

The other important point from Nuneaton is local leadership, which is what we need to represent a town centre and compete with an incredibly able retail manager at a Tesco or Waitrose. That is why we should look again at local democracy and elected local mayors. If we ask why a French town is vibrant and able to say no to a local supermarket, whereas in Penrith a Sainsbury's appeared even though I reckon 90% of the community opposed it, we realise that a great deal of that is due to the lack of a local leader and champion, the elected mayor, who can say no.

We can also do an enormous amount to support councils by getting rid of regulations and ensuring that if, for example, Penrith wished to challenge the supermarket, it could be confident in the judicial review process and confident that the planning laws would suit it. There could perhaps even be insurance if it were defeated, so that it did not feel horribly financially exposed.

[Rory Stewart]

Finally, and most importantly for Conservative Members, we must understand that this is a fundamentally conservative campaign in the best sense of the word. It is not about a grand vision of central planning and rationality, or a notion that some expert in a capital, or in Tesco's headquarters, can define exactly what is required for every community. It is about taking what is already there—our historic inheritance. It is often an inconvenient inheritance for parking, rates or the space for shops, but we can make something of that history and tradition. Above all, we can have not simply shopping but a sense of the warp and weft, the interaction and the human spirit of community that once made us proud to be called a nation of shopkeepers, which will be difficult to retain without any shops at all.

8.21 pm

Oliver Colvile (Plymouth, Sutton and Devonport) (Con): I, too, pay tribute to my hon. Friend the Member for Nuneaton (Mr Jones) for securing the debate and ensuring that the Backbench Business Committee listened to his remarks. The depth of the conversation that has taken place today has clearly indicated the leadership that he demonstrated.

Before I go any further, may I declare an interest? I still have shares in a company that I set up some five or six years ago, which deals in giving advice to property developers on how to manage public consultation and on ensuring that they get their political messages across. I suspect that in the next five minutes I will demonise myself as being responsible for an awful lot of the problems that have occurred. Some of the people with whom I ended up working were from supermarkets and food retailers, so I have some understanding of what they do.

First, I wish to talk about Plymouth, which is the largest urban conurbation west of Bristol. It is a low-skilled and low-wage economy, and as Members know it is the home—or I should say a home—of the Royal Navy. My constituency runs south of the A38 and from the River Plym to the River Tamar. It has a city centre in it, and I am uniquely a very strong urban Tory. I therefore hope that I can talk about the impact of what is happening.

We were badly bombed during the war, and a lot of the property in the constituency is now beginning to look a little shabby and needs work doing to it. However, we do have a university, which is a key part of ensuring that regeneration takes place. I would be grateful if the university considered how it could include some retail activity on its premises, because there are major implications for the city in July and August when the university has gone down.

There is a proposal by English Heritage to list the city centre, which I do not think is a very clever thing to do. All that will do is put the whole thing into aspic and discourage the growth of the retail sector.

Nicky Morgan (Loughborough) (Con): I am interested by what my hon. Friend says about universities and students. In my constituency we have a large university in a town of 50,000 people. Does he agree that when councils and shop builders plan town centres and retail offerings, it is important that they think about not only the student market but, as he says, a year-round market? They have to appeal to both students and non-students for the whole 12 months.

Oliver Colvile: I fully agree, and licensed premises are also incredibly important. We now have more licensed premises in Plymouth city centre than there are in the whole of Liverpool, which is quite a striking fact given that the population of Plymouth is about 250,000 and Liverpool's is significantly bigger. There has been a tendency for local authorities of all political parties in the area to move the culture of Union street, of which those who know Plymouth will be aware, out to Mutley Plain and the Barbican. That has had real implications, including for the local police's work to maintain law and order. We need a much more balanced approach.

When I was working commercially—Members will be delighted to know that I am not any more, although I do have an interest in my own business—I was aware of how defensive some landowners could get about looking after their stakeholdings. They wanted to ensure that if there was development, it would not affect their commercial interests badly. There was one city in the south of England where we did a lot of work, and I had a client there who owned about £40 million of assets in the town centre. He had great difficulty in talking to the local authority and getting it to work with him to develop his part of the town. It became a very big problem, and it ended up with the local authority trying to get his land by compulsory purchase order, with all the implications that went with that. It is very important that local authorities should not try to be developers by proxy, because that is a disaster. It has delayed the regeneration of that town by a significant time.

Mr Marcus Jones: Will my hon. Friend comment, on the basis of the professional expertise that he has just outlined, on the suggestion that we heard earlier that the abolition of the upward-only rent review might benefit the regeneration of our town centres?

Oliver Colvile: We need to do everything we can to encourage as much footfall as possible in town centres. If I were a retailer, I would want people passing by to come into my shop. One thing that I learned at a very early stage when I got involved in the whole business of development was that planners liked to have one anchor store at one end of the town and another at the other end. I think that is quite a positive story, because people end up walking from one side of the town to the other and doing their shopping in the small shops in between.

I am very keen to ensure that town centres are the major places in which we encourage investment, but we must understand that in so doing we put up rents and some smaller shops cannot operate. We need to encourage people to set up niche businesses, such as bakers, butchers, fishmongers and so on.

We must ensure that we deliver a master plan approach. When development is taking place in our towns, we need to look at the sites and get the local community involved in making the decision on what they want there. There must be community benefits. When I gave advice to developers, including Sainsbury's, I would always say, "When you are looking at your campaign, you have to consider what consumers and electorates

will think is in it for them," which means developing good community consultation. We have worked hard on that key aspect in my constituency.

Conservatives have a good story to tell. After all, Nicholas Ridley introduced the planning process in the first place, and John Gummer, as Secretary of State for the Environment, introduced the concept of planning policy statements—we are now on PPS 4, which is on ensuring that stuff goes into the town centre. We have a good story to tell, but there is further to go. I very much encourage my right hon. Friend the Minister to ensure that the Portas report is used and implemented.

8.29 pm

David Rutley (Macclesfield) (Con): I, too, congratulate my hon. Friend the Member for Nuneaton (Mr Jones) on securing this debate on this vital subject. It is an important day for town centres around the country, but it is also a very important evening for Macclesfield Town football club, who are playing a well-deserved replay at the Reebok against premier league Bolton. [Hon. Members: "What's the latest score?"] Nil-nil. We will win yet.

I welcome the Government's decision to set up the high street review and congratulate Mary Portas on her exceptional work and on producing an action-oriented set of recommendations. Most of all, I pass on my thanks to the shopkeepers, entrepreneurs, and business men and women around the country who work tirelessly day in, day out, to put our high streets at the heart of our communities. They do so very capably, particularly in Macclesfield.

Macclesfield is an historical and energetic town, nestled beneath the hills of the Peak district. It has real character and an independent spirit. In Georgian days, Macclesfield was the world's biggest producer of finished silk, and the town continued to thrive in prosperity for centuries after, but in recent years the town centre has suffered from the opening of the Trafford centre and the Handforth Dean retail park, and the uncertainty of future plans for the town centre that were stalled by the credit crunch. By its own successful standards, the town centre felt tired, and in 2008 or 2009 there was a growing appreciation that something had to be done.

The response from the community was terrific—positive and action-oriented. I am particularly keen to share that experience and hope that it is of interest to colleagues and those who might be listening, just as we are keen in Macclesfield to learn from other communities.

We have learned through our efforts in regenerating and revitalising the town centre that the key ingredients are belief, confidence and building momentum. A critical milestone for us was re-establishing the Barnaby festival in June 2010. Barnaby was a centuries-old tradition that had fallen into decline, but it was completely reinvented and resurrected as an arts and culture-led festival by the community, for the community.

Barnaby was a huge success and led other community entrepreneurs to establish a monthly treacle market. That market, which again is run by the community, for the community, has gone from strength to strength.

As confidence has grown, more events have followed. There was a programme of events to celebrate the 750th anniversary of the Macclesfield town charter, and last December, as if from nowhere, a schedule of events called the "WinterFest" helped drive footfall across the whole month. That was vital at that critical time of year.

To build that momentum, it was vital that we sought to engage stakeholders more fully. We needed to get local businesses, community groups and the council together, so we created a business breakfast. It was not so much a "town team" as the Portas report describes, but more a good old-fashioned town hall meeting. In engaging those businesses and community groups—about 120 come out every couple of months—we have created a real agenda for progress.

We have created our own brand identity—by the community, for the community—and an economic forum. That really is our "town team" as defined by Mary Portas. However we define it, that partnership, and—dare I say it?—that coalition has helped to create and strengthen our initiatives to help to take the town forward.

The creation of the economic forum led to a whole-town vision, which has helped to create the confidence for local businesses to invest. Wilson Bowden is considering a town centre development in Macclesfield—one of the few being considered across the country—and Tesco has expressed an interest in dramatically increasing the size of its edge-of-town unit as well as its town centre Metro store. My message is similar to that of my hon. Friend the Member for Fylde (Mark Menzies): at these moments in the life of communities such as Macclesfield, it is vital that national retailers and developers show that they are going to be part of the solution, rather than exacerbating the problem. It is vital that they show commitment and energy in supporting the community, just as so many other stakeholders are doing, up and down the country.

In my remaining 10 seconds, I would like to say to the Minister and to Mary Portas that Macclesfield stands ready to take part in one of the pilots. We think that we would be a leading light in culture and heritage-led regeneration—

Madam Deputy Speaker (Dawn Primarolo): Order. There is no injury time for football scores, I am afraid, and the hon. Gentleman has run out of time.

8.34 pm

Lorely Burt (Solihull) (LD): I was born and brought up in Dudley. Dudley has been somewhat disparaged this evening, but I want to tell colleagues that it used to be the place to go. For me, Cranage's coffee shop was the place to hang out. For my mum, it was Cook's or Beattie's department stores. However, following the closure of a huge local steelworks called Round Oak, Government subsidies were used to create a new shopping centre called Merry Hill on that site—with free car parking, of course. Merry Hill sucked the lifeblood out of Dudley. Cook's was lost, but Beattie's stubbornly hung on for many years. It was a family firm determined to buck the trend and keep the town together.

Today, as the MP for Solihull, I have fought, along with my party and local residents, against an Asda superstore being built on precious parkland on our high street—the Stratford road in Shirley. We lost. The Conservative-led council forced the decision through. We are about to find out whether we are right to believe that the Asda will suck the lifeblood out of the small independent shops on the high street, or whether the

[Lorely Burt]

developers are right in saying that it will attract more people who will magically spill out on to the high street and create more footfall.

Now the Conservatives are planning to introduce car parking charges to Shirley for anything longer than a 30-minute stay. That is crazy. It will mean that the hard-working shopkeepers will be starved of business because people will be unwilling to pay the charges, especially when there is free parking down the road at an out-of-centre Sainsbury's and Tesco. Councils should be looking for ways of encouraging people to use local shops, not discouraging them from doing so. I have big worries that this will be the last straw for Shirley.

That is what is happening now, but what of the future? Do we have to march inexorably down this road? Are the town centre and the high street doomed? Tonight we have heard many facts about the decline in trade and in the number of high street shops, but I do not think that they are doomed. There will always be a need for town centres. They are not just places to get commodities; they are venues in themselves, incorporating restaurants, entertainment and places to meet up with friends, to socialise, to browse and to be seen. Touchwood, in the centre of Solihull, is an excellent example; it demonstrates how a good shopping centre can thrive.

A recent Experian report identified that frustrations with online shopping are driving consumers back to the high street. Deliveries can be slow or even non-existent, and the goods often do not match the online descriptions. When we go shopping, we can see exactly what we are getting, and have the instant gratification of being able, in most cases, to take our purchases home with us.

The high street must respond to changing consumer expectations and offer a great experience to shoppers. On the whole, business improvement districts have done well in concentrating on that, and they can do more. I have been banging on for years about local communities' need for empowerment in relation to the design and character of their shopping centres. Developers who come in with a "we know best" attitude could be in for a fight, as was the case in the Shirley development.

I support the Association of Convenience Stores' sequential test to ensure that all sites close to a town centre are considered before out-of-town developments are allowed. Both the ACS and the Portas review support a presumption in favour of town centre development, and I totally agree we should have a "town centre first" principle in the national planning policy framework.

As for parking charges, out-of-town centres clearly have a competitive advantage, and I support the idea of councils being given new tools to raise revenue specifically to support access to, and the regeneration of, high streets. Given that business rates can now be repatriated to local authorities, I am sure that a way can be found for that to be done. There is more than one way to skin a cat, and we must find a way to even up the playing field so that all retailers have a fair chance to get a fair market share.

8.39 pm

Guto Bebb (Aberconwy) (Con): I congratulate my hon. Friend the Member for Nuneaton (Mr Jones) on securing this debate, in which it is a great privilege to speak. I represent Llandudno, the second most popular shopping centre in north Wales—unfortunately, the most popular one was the subject of a hymn of praise from my hon. Friend the Member for City of Chester (Stephen Mosley). However, Llandudno is a very attractive shopping centre, mainly because it has retained its character as an old Victorian seaside resort. Llandudno is known as the queen of Welsh resorts, and that is still very much the case. The credit for that has to go to Mostyn Estates, which owns the freehold of a large percentage of the town.

That is why I am so concerned about certain aspects of the Portas report. There are many good things in it, but when a landlord is willing to work extremely hard to retain the retail centre in Llandudno—Mostyn Estates works extremely hard and constructively to do that—it is of concern to read comments in the report stating that landlords with vacant spaces must be further encouraged or possibly penalised. We have an issue with empty property rates relief lasting only three months for retail premises, and I would be loth to see Mostyn Estate's ability to support the development of retail in Llandudno damaged by a further penalty for having empty properties. They are often empty not because of any failure by Mostyn Estates to market them properly, but because of economic circumstances.

I shall try to explain that in detail. I spoke recently to the chief executive of Mostyn Estates, and he made the important point that when a small business looks to locate in a retail centre, it will have a certain amount of money available for rent and rates. In Llandudno, the rates are so high that the rent paid to Mostyn Estates is often lower than the rates that the same businesses pay out. Time and again, Mostyn Estates has been willing to reduce its rents to keep a tenant in place even though the rates have not been reduced. I am concerned, therefore, about that proposition in the report.

I am also slightly concerned about the tendency in this debate to view the supermarket chains as a danger to the retail high street. Yes, that can be the case, especially if the development is out of town, but Llandudno has seen the development of retail parks and centres within walking distance of the high street, and some footfall has gone from the supermarkets to the high streets. Yes, the centre of gravity within the town has changed, but the town has retained its attraction to shoppers.

I was taken by the speech from my hon. Friend the Member for Penrith and The Border (Rory Stewart), who highlighted the fact that a town centre must be more than just a shopping centre; it must be a focus for public engagement and enjoyment of life. In Conwy, another small town in my constituency, that is exactly what we have seen. Some 10 or 15 years ago, Conwy was on its knees, yet an enterprising local butcher, as it happens, decided to invest significantly in developing his local shop, which resulted in the business going from strength to strength. Indeed, Edwards of Conwy, the maker of the finest sausages in the United Kingdom, recently won a major contract to export its produce to Malaysia, in addition to supplying all the supermarkets.

That investment is important. It created the feeling in Conwy that they could develop and revitalise the town as a shopping centre by highlighting the food offer. In Conwy, we now have wine shops, delicatessens, restaurants,

high-quality hotels and, to crown it all, the food festival every October, which is a huge success. In other words, Conwy has decided to reinvent itself as a destination.

When we consider the future of the high street, it is important to recognise that we cannot fight the tide of history: we cannot fight the fact that people now buy from Amazon. Before Christmas, I went to the Llandudno post office and was struck by the number of parcels from Amazon. We cannot fight that type of development, but we can offer something completely different. We can say to people, "Come to Conwy. Come and shop in Conwy. You'll see something completely different offered by small, independent retailers who will sell you something that you will not see anywhere else."

So I have two examples in my constituency of where we have seen the ability of a good landlord, in Llandudno, and innovative local retailers, in Conwy, to make a real difference; and yes the supermarkets can contribute to footfall in high streets, but they can also be a danger. In Llanrwst, another small town in my constituency, there is a proposal for a Tesco store. The one comment made to me by a shopkeeper was: "Why can it offer to build a school or swimming pool for the local authority? If I did that, I would be accused of taking advantage of the system."

8.44 pm

George Freeman (Mid Norfolk) (Con): I add my name to the list of those congratulating my hon. Friend the Member for Nuneaton (Mr Jones) on securing this important debate and I congratulate the Backbench Business Committee on arranging it. At this stage of the debate, there is little left to add to the excellent contributions of so many hon. Members, particularly of my hon. Friends. I want to highlight one or two of the concerns I share with others for my Mid Norfolk constituency, but as we move to the close I want to focus on some of the positives, as I believe there are a number of reasons for being positive about the future of our market towns, particularly our rural market towns.

Mid Norfolk is not an affluent constituency. We are not part of the celebrated Norfolk triangle, and we are not part of the "gold coast"; Burnham market is a long way from my constituency. Our average income is about £17,500 a year; we have four market towns and 114 villages. Many of the problems described today are all too evident as one travels in Dereham, my capital, the ancient heart of Norfolk. We have recently seen the closure of Chambers, the celebrated and historic store. I was recently delighted to receive a petition from the town's residents to the Co-op, asking it to change its decision to close.

In Wymondham, home of the great abbey and the place of Robert Kett's rebellion, I have the pleasure this Friday of chairing a meeting at which 400 residents are due to come to talk about the town's plan, as it faces an application from Asda for a development in the middle of the town. There is a huge appetite to discuss issues around sustainable development, facilities for the young and the old, and ensuring that we have a genuine long-term plan that looks at the needs of Wymondham over the next 20 years—not just for Wymondham either, but for the surrounding villages that rely on it, too.

In Attleborough, zoned for development under Labour's regional spatial strategy and to be doubled in size with 4,000 houses, the challenge is to come up with the right level of growth that can provide the infrastructure levy that will fund the bypass we need, while keeping Attleborough as the beautiful market town in which people want to live and work. In Watton, the heart of the Wayland valley, there are huge pressures on the high street, with closures of traditional stores and huge local concern that the town centre is losing its viability.

Why, then, am I optimistic? After several decades in which our town centres, in the words of my hon. Friend the Member for Penrith and The Border (Rory Stewart), have been "woefully badly catered for", I believe that we have serious grounds to be optimistic. First, because people care—and such care has been demonstrated today in the level, strength and depth of opinion voiced in this debate, while our residents also care, as evidenced by the 300 or 400 people due to turn up on Wymondham on Friday evening.

Secondly, I am confident because around the country there are inspiring examples of enlightened local council leaders, town councils, residents associations and, indeed, of best practice, which have shown that it is possible to combine the one-stop shop convenience of an out-of-town supermarket that people with busy lives need with the heritage, community and authentic local community experience of a well run and well organised town centre. These things are not beyond the wit of man.

I am confident, thirdly, because of the Government's measures, including the Localism Bill, community planning measures, the big society, the emphasis on the rebalanced economy, the localisation of business rates and the support for small business generally.

Fourthly, I am confident because the public themselves are showing in their retail habits a growing demand for the local, the artisanal, the authentic and for an increased interest and involvement in the retail experience seen as an authentic part of the community of which they are part. I am confident, fifthly, because of the measures on broadband.

In my Mid Norfolk constituency we might have been neglected by successive Governments for 30 or 40 years, but if we put all these measures together, along with the investment in the Cambridge-Norwich railway line, in the A11, in rural broadband and in science at the Norwich research park, I would submit that our area is on the cusp of a renaissance—a renaissance that we describe and seek to promote locally through a project called the Norfolk way, a renaissance of small businesses coming back to the countryside in converted barns and converted turkey sheds, empowered with globally competitive information technology and trading between the hubs of Cambridge and Norwich.

If we can have a vibrant rural economy, we will have a chance to have vibrant market towns. For no one are those market towns more important than for the people trading in the rural economy. I close with the suggestion that we can be optimistic provided that we take the energy of today and channel it into the enlightened policies of tomorrow.

8.49 pm

James Morris (Halesowen and Rowley Regis) (Con): I join others in thanking the hon. Member for Nuneaton (Mr Jones) for securing the debate.

[James Morris]

The real added value of high streets is their importance to our communities. Our high streets are literally at the centre of town life, and are a vital part of our towns' identities. One of my first campaigns after I was selected as the candidate for my seat was a fight against proposals to close local post offices. The loss, or downgrading, of local services such as post offices in our town centres has taken away many of the reasons for people to come into the high street rather than travelling to out-of-town shopping centres. That has had an impact on high street traders who were already facing significant challenges as a result of changing shopping habits.

Cradley Heath in my constituency has recently had direct experience of the difficulties faced by local high streets. Three years ago, a large supermarket was built on a bypass going past the town centre. It is almost as if everything, from the positioning of the store to the road layout, had been designed with the express intention of taking as many people as possible away from Cradley Heath high street, and the effect on local traders has been enormous. Had Sandwell council acted with more care, there could surely have been an alternative that would have kept trade from supermarket shoppers in the town helping high street traders. That is a lesson that must be learnt for future development.

We need to find ways of making town centres more attractive so that people want to be in them, and to take advantage of the things that they can offer and out-of-town centres and online stores cannot. We have seen that in the town centre of Halesowen, the largest town in my constituency, which grew from being a market town after the war to being a "border town" at the edge of the Birmingham and black country conurbations. That had an effect on the town centre, which found itself facing strong competition first from Birmingham city centre and then from the new Merry Hill shopping centre that was built in the 1980s. Familiar local names disappeared from the centre, to be replaced by chain stores and empty premises.

In recent years, however, Dudley council, the chamber of trade and other partners have worked to turn the town centre around. A new bus station has been built next to the main shopping area, there is an indoor market plaza to help small traders to set up in the town, and there have been initiatives such as Halesowen in bloom. None of those constitutes a "magic bullet", but each helps to make shopping in Halesowen a more pleasant experience. The results can be seen in an increased footfall in the town, and in reports from local businesses that things really do seem to be picking up.

We need to find new ways of giving people a reason to come to the high street. We should consider initiatives such as town centre loyalty cards to retain business in our towns. We also need local authorities to exercise more flexibility to ensure that town centre premises do not remain empty for too long, and we need Government help to make that possible. In December, Halesowen police set up a "cop shop" in a vacant shop in the town centre, offering crime prevention help and advice to Christmas shoppers. It brought together other public services and agencies, and proved very popular.

More such initiatives would be possible if local authorities were able to offer business rate holidays, or similar support. Although councils have legal powers to do that in many instances, the financial cost prevents it from being a viable option. Councils that offer business rate relief in such circumstances still have to pay the money to the central fund although they are not receiving the revenue from the rates. The Government's proposals to allow some or all of the revenue obtained from business rates to be retained locally could be used to allow more discretion in the way in which local authorities offer business rate holidays and other reliefs. I hope that the Government will consider that as they develop their proposals in the Local Government Finance Bill.

At their best, town centres such as Halesowen make shopping more than a purely commercial transaction. We should be proud of the work that is being done to enable high streets to compete in an age of Amazon and eBay, but we must also continue to look for new ways to make our town centres more attractive. That means a partnership between local and national Government, local businesses and the wider community that will enable local solutions to address local challenges.

I welcome the Government's commissioning of the Portas review. I look forward to seeing its recommendations being put into practice and action being taken to help put our high streets at the very heart of our local communities.

8.54 pm

Mark Pawsey (Rugby) (Con): I congratulate my constituency neighbour, my hon. Friend the Member for Nuneaton (Mr Jones), on stimulating a lively, interesting and largely well-attended debate. We must support our town centres. If we do not, we will witness their demise, and the economic, environmental, retail and community value of those centres will be lost. Anyone who has visited the United States, where there are fewer planning controls than we have had in the UK, will have seen many towns with holed-out centres where there is little life or activity, but also with a doughnut of development all around of large-scale retail shopping centres.

My constituency has fared rather better than most in relation to the recent changes in town centres. The Association of Convenience Stores states that the average level of vacant shop units is 14%. The situation in Rugby has improved, however. The vacancy rate was just 3% in 2007. It then rose to between 8% and 10% at the peak of the recession in 2008. Since then the proportion has fallen back to 6.25%. That compares very favourably with the national average.

As elsewhere, there have been recent shop closures in Rugby as a consequence of difficult Christmas trading, but I pay tribute to our progressive forward-thinking council. It is aware of the problem and has taken action to deal with it, including through adopting a flexible approach to planning and introducing "moving in" grants of up to about £5,000, which often go to smaller independent businesses. The total spend on that has been £70,000 over three or four years, and it has been an effective investment.

This is a national problem, however, and we all must consider what to do to halt the decline in high street retail. It is important to understand what is happening in retail. Many Members have referred to the influence of the internet and have rightly stated that we cannot fight the power of the internet. According to the House

of Commons Library, just 3% of retail purchases were made on the internet in January 2007, but the internet now accounts for 12% of UK retail trade.

Local communities have two options. With a decline of 12% in retail trade, it is clear that the number of retail outlets and the amount of retail space must fall, not necessarily by the full 12% but certainly to some extent. Alternatively, the population in the local area must grow. I am delighted that Rugby is taking the latter approach, with a substantial development of 13,000 homes about to start on the Gateway site as well as development due for 6,200 homes on the Mast site.

There are many reasons why communities should embrace new housing. Our young people need homes, and the new homes bonus provides an income stream for local councils. New housing also supports our existing town centres. Communities should not complain about the decline of their town centres if they do not accept more housing where that is possible. In areas where new housing is not possible and town centres shrink, properties at the edge of the town centres should be able to be used for retail—indeed, many of them were originally developed for retail use. We must react fluidly in order to adapt to times of growth and decline.

Communities should also develop their independent stores. Rugby has a very successful independent sector in the Regent street and Albert street area, and *The Rugby Observer* report on Christmas 2011 trading highlighted the success of independents in Rugby that give great service and flexibility in the range of products they sell. As elsewhere, chain stores did badly. I believe that people are now bored by the uniformity of multiples, and independents offer something different. We need more support for independent retailers, especially as that would effectively be backing winners.

That was recognised in the Mary Portas review. She visited our town and said in her report that she had been very impressed with the "champions of change" she met in Rugby. They were not managers of national multiples, but independent entrepreneurial traders. They must be encouraged. There is much good news and much that can be done, and I look forward to hearing the Minister's response to the debate.

8.59 pm

Sir Bob Russell (Colchester) (LD): Colchester's *Daily Gazette* today reported that the parent company of three shops in Colchester—Peacocks, Bon Marché and Past Times—had gone into administration. I know that they are national firms, and my hope is that buyers will be found and the businesses will continue, because they are an important part of the retail mix and they employ local people. Indeed, it was at Past Times that I bought a poster that said "Keep calm and carry on", and I trust that that is what will happen. However, it is not all doom and gloom. I am told by those who know about these things that Colchester has fared better than most places for retail sales. Indeed, our department store, Williams & Griffin, one of those great local stores that is now part of an independent group, has plans to expand its floor space by 50%.

Colchester High street is the oldest high street in Britain. It is built along the Roman road, which goes back to the time when Colchester was the first capital of Roman Britain. I am anxious to ensure that Colchester does not become part of clone town Britain. National Government and local government have parts to play in that, along with local initiatives, both individual and collective. The Government need to be careful about expanding further out-of-town shops and other moves in that direction.

A local initiative that I wish to promote is one that I call "centurion's walk", which is to involve just over 100 small, mainly locally owned independent stores, all built on top of the Roman wall in the southern part of the original Roman city of Colchester. In addition, the *East Anglian Daily Times* has a "shop local" scheme and the East of England Co-operative Society sources from local suppliers; that is very successful and I certainly recommend it. One way in which the national Government could help is by having a scheme where the first 500 square feet of retail space is free of business rates; I would like the Portas report to be adapted here. The money could be reclaimed by a levy on out-of-town supermarket car parks. I do not see why that could not be done.

Park and ride is vital for Colchester and for many other regional shopping centres. Unfortunately, Essex county council, which is responsible for this, has not provided one single park and ride facility for Colchester, yet Chelmsford has two and Ipswich, over the border in Suffolk, has two. Our principal competitor towns, Ipswich and Chelmsford, have been provided with park and ride, but Essex county council has not provided the same for us. Colchester is the only part of Essex that is not Tory, and I suspect that that may be the reason why we are being discriminated against.

On localism and sustainable communities, my hon. Friend the Member for Waveney (Peter Aldous) quite properly drew attention to the number of empty floors above shops, and it is important that we try to use those wherever possible. I also pay tribute to the Essex chamber of commerce and the Association of Convenience Stores, which are battling in this area. This is not just about the high street, because our neighbourhoods, suburbs and community centres are involved.

The Federation of Small Businesses has drawn attention to the Portas review's recommendation that the Government should consider whether the business rate system can support small businesses and independent retailers better. I invite the Minister to look at my suggestion that we can help smaller shops—community shops and village shops—by giving them a business rate holiday. I would also like to mention indoor markets, because they have a lot to commend them. Keep Britain Tidy, too, points out that its awards scheme is a way of encouraging local pride in our communities. Finally, I wish to mention our good friends at the British Retail Consortium, who say:

"it is essential that Local Authorities across the country work with retailers, cultural and heritage organisations, landlords and other local stakeholders to maximise the inherent advantage of an individual area's local heritage".

9.4 pm

Neil Carmichael (Stroud) (Con): Thank you for calling me to speak, Madam Deputy Speaker, as we are about to have—and are having—a very important debate. In my constituency a number of small towns are all demonstrating the importance of localism. Stroud, Dursley, Berkeley, Painswick and others are all effectively manifesting what is necessary through the provision of strong local

[Neil Carmichael]

leadership and the delivery of sophisticated outcomes, because people know and understand what happens in their local areas. That is one of the strengths of localism, which is reinforced by the activities of chambers of trade, which should also be saluted in this project. A good chamber, it seems to me, is one that knows and understands the shops and so on in its high street and works hard to generate collective activity in generating business and in interfacing with the local authorities and other agencies. I salute such chambers.

We need to drill down on several issues, one of which is the night-time economy. It seems to me that it is really important to recognise that there are different phases in the high street timetable, one of which involves what happens after the shops close. The restaurants, pubs and cafés generate more activity, which is linked to what happens in the shops. It is important for all our smallish communities—that is what I am talking about from the vantage point of my constituency—to think in terms of the night-time economy. Some years ago we had a seminar about that subject in Stroud, at which pub closures, the impact of night clubs and the absence of restaurants were all mentioned, but over the last few years all those factors have begun to point in the right direction for a lively night-time economy in Stroud. I pay tribute to people who think in those terms.

Another aspect of the question that has come across quite forcefully in the debate, and rightly so, is the fact that we are not just talking about shops, although they are very important. We are talking about, for example, the cultural life of a high street. In Stroud, Dursley and Nailsworth, farmers markets generate a lot of business and activity. They have made an impact in my constituency in delivering extra verve in high street life. It is valuable for such activities not just to be started but to be seen to thrive. It is vital that we think beyond the normal expectations of people who think about high streets and go into new areas and new opportunities. Farmers markets definitely fall within that category.

I also want to talk about unused houses and flats above shops in our high streets—an important matter in terms of our attitudes to housing. If we can get people to participate in and live in their community, that is great, and we should consider how we can encourage shop owners and owners of general commercial properties on our high streets to make better use of the properties, and the floors above the shops that we all walk past. If all of a community—shop owners, shoppers, residents, café and pub owners and so on—is part of a multi-dimensional high street, we can start to get a strong nucleus of useful influence that can work towards developing the high street.

I welcome the report we have discussed tonight, and the Government's enthusiasm for promoting high street activity. I salute the very strong work in my constituency, in the towns I have mentioned and in others, which demonstrates that some really good results can be produced in high street and town activity.

9.9 pm

Jason McCartney (Colne Valley) (Con): I particularly relish the opportunity to speak in this debate because it really is the hot topic in my constituency at the moment, and it is nice to see that it is also such a hot topic in so many other constituencies. There are two reasons for that in my constituency, the first of which is that we have a very successful high street in Lindley, north of Huddersfield, which I shall talk about in a moment. Secondly, like many other colleagues in the Chamber, we have worries about a proposed out-of-town supermarket superstore.

My constituency is one of the biggest in the country. I have 81,000 constituents, but only one major supermarket —a Morrisons in Meltham, which heavily overtrades. It is incredibly busy, particularly at 5 o'clock on a Saturday evening. It is just up the road from where I live. There are a couple of medium-sized Co-ops and a sort of Sainsbury's Express in Salendine Nook. The supermarket companies have identified that situation and both Tesco and Lidl are looking to come into the outskirts of Holmfirth.

Holmfirth is the "Last of the Summer Wine" town from the BBC television series, which is home to Compo, Foggy and Cleggy—not that Cleggy of course, but the one from the television. It is a very popular tourist destination and a lovely market town, but Tesco is looking to situate a big new store 0.7 miles from the outskirts of Holmfirth and has put in a planning application to do so. Many people are very concerned about that and there was a protest by traders in Holmfirth over the weekend when they boarded up their shops to show what the place could look like if Tesco arrives. There are also big transport issues to consider. However, there could be positives if Tesco comes, such as 175 jobs and greater accessibility to goods at a reasonable price. At the moment, a lot of people go to superstores on the other side of Huddersfield.

There are big concerns about having an out-of-town supermarket, but on the other hand, as Mary Portas noted in her review, local shops can be successful if they specialise in specialism, experience and service. That is shown particularly well on a very successful high street in Lindley in the north of my constituency, which is a lovely little community and is very busy because the big hospital, Huddersfield royal infirmary, is in that area. I would like to name some of the different types of business on a little street called Lidget street which really demonstrate Mary Portas's point about service, experience and specialism. We have Concepts Beauty and the Forget Me Not Trust children's hospice charity shop, which is a local charity shop to which people feel very close emotionally. We have Garry Butler's top quality butchers, Hartley's confectioners, Branch One food emporium, the Bubble and Squeak deli, Lindley Fine Wines, Pure Occasions of Lindley, the Hair Room, Soor's of Lindley, the Saddle pub, the Caspian gallery, Wagstaff's Shoes and Eric's restaurant and bar, which uses local produce. There is also a pharmacy, the local library, Sugarcraft Creations' wonderful sugar craft to go on the top of cakes, Cosy Kitchens, an opticians, the Dress for Less discount store, Lindley Spice, Carl Livesey's butchers, the Children's Book Shop, Lindley's café and deli, and the Number 10 bar and kitchen—how appropriate is that? That is a fantastic range of local shops that are locally owned and offer that kind of service, experience and specialism.

Linked to that area is a wonderful community spirit because people organise a superb Lindley carnival in the summer and there is the Lindley Christmas market

in the first of week of December when the thoroughfare is closed, everyone comes out on to the street and all the shops are open, offering mulled wine and mince pies. Those local shops really engage with the local community and are something to behold. There is also two hours-worth of free parking—something that has been mentioned very much in this debate—in a major car park at the end of the street. People can also park up and down the street in bays and quickly pop into one of those wonderful local shops to make quick purchases. That is exactly what a community needs. High streets can be successful if they follow that kind of model and I think that all hon. Members, including myself, need to encourage our constituents, ourselves and our families to shop locally and support these wonderful local shops.

9.14 pm

Stephen Williams (Bristol West) (LD): The whole debate so far has reminded me of when I was waiting to make my maiden speech, listening to potted descriptions of every town and city in the country, learning a lot about geography as well as politics. I shall now do roughly the same thing, talking from a city perspective about my Bristol West constituency, which covers the whole city centre and the shopping centres of Broadmead and Cabot Circus in the regional capital of the south-west of England. The constituency is also a patchwork of distinct neighbourhood shopping centres and high streets, bookended by Clifton village and Stapleton road, with the unique areas of Park street, Whiteladies road and Gloucester road running through the middle. Gloucester road may not be the oldest high street in England but it is certainly the longest. It has been argued in many media outlets that it is the greatest high street in England, with 2 miles of independent shops.

In the 1990s, as you will be aware, Madam Deputy Speaker, as a fellow Bristol Member, our city centre faced great challenges from out of town, but it has fought back. Bristol city council worked in partnership with the private sector and we have a new shopping centre, but more important, thousands of people now live in the heart of the city of Bristol. I do not think it has been mentioned in the debate that we need more residents in town and city centres. I certainly endorse the recommendations in the Portas report for town centre teams and for a presumption in favour of town and city centres in the planning regime.

High streets, whether in cities or towns, certainly face multiple challenges; indeed, as has been said, they are at crisis point. Rationing of parking spaces has been referred to. Control of crime is another issue, as is the switch to online retailing. Every time I make my traditional Christmas visit to the Montpelier Royal Mail sorting centre, I am struck by the sheer number of Amazon parcels of the books and DVDs my constituents are buying.

The other major threat to all our high streets and locally owned businesses comes from the large national chains and multiples. Supermarkets have been mentioned many times during the debate so I shall not say too much more about them, but I am probably the only Member in the Chamber who has experienced a riot in his constituency caused by the opening of a branch of Tesco. It took place over the Easter and royal wedding bank holidays in April last year. I certainly do not condone the antics of those constituents, but I very much share their frustration. Large businesses do not work with the grain of local opinion. It was not that people did not want a Tesco; they just did not want another Tesco in an area where the brand was already at saturation point.

There are also national chains of bars, restaurants and cafés. They use their lawyers and large planning departments to circumvent local authority planning decisions. In my constituency, we have an example involving Costa Coffee—a brand owned by Whitbread, the brewers—which has opened three outlets in Bristol; in Gloucester road in my constituency, in Clifton Down and in Westbury village in the neighbouring constituency of Bristol North West. The company has flouted the decisions of Bristol city council; Costa's managing director wrote to me to say that Costa was "re-energising and revitalising" high streets and

> "regularly complements independent retailers...to offer a wider range of choice."

That sort of banality infuriates local residents when they think they cannot work with the system to get what they want. We certainly need to reform the planning system to combat uniformity and promote diversity.

Chris Skidmore (Kingswood) (Con): As a fellow Bristol MP, I entirely agree with the hon. Gentleman and I hope we might work together to share our experiences of local high streets. Kingswood high street is a valuable part of my constituency. Does he agree that if a planning application for a major store is rejected, there should be a breathing space and the large store should not be allowed to re-enter the system straight away?

Stephen Williams: Yes. I thank the hon. Gentleman—an MP for Greater Bristol—for that intervention.

The other flaw in the planning system is that when permission is refused by a committee of local councillors, the applicant goes ahead and opens the business because they know that an appeal will take a long time. That is a loophole that Costa has certainly exploited and it needs to be blocked. We need to reform the planning process, but we must also reform local government finance.

The use classes have been mentioned many times. Surely, it is common sense that the A1 retail use class cannot apply equally to Tesco, Sainsbury's and all the other retail multiples and to Mrs Smith's corner shop; none the less, that is how our planning system works.

What we need is to let go so that we have more localism, so that local councils, whether Bristol or South Gloucestershire, are sufficiently granular at the local level to micro-manage what they want in their high streets. If they do not want any more supermarkets or chains, they should be able to say so emphatically, and there should be no ambiguity in the classes of use to allow the large companies to drive a coach and horses through local opinion and local democratic decision making. Local communities could then promote the shops that they want, and democratically elected councillors could block the sharp practices of the large multiples.

Finally, finance has been mentioned a couple of times. The uniform business rate needs to be reformed so that local councils can offer waivers to businesses that they wish to attract to an area. Gloucester road has shops with most uses, but it does not have a book shop, so perhaps a rate incentive would attract a book retailer to the area. Business improvement districts have made a

[Stephen Williams]

huge improvement to Bristol city centre, but I would argue that any shopping centre would benefit from a BID in which landlords are incentivised to take part as well. That is a key recommendation of the Portas report, which I thoroughly enjoyed reading, and which I have thoroughly enjoyed endorsing in this debate.

9.20 pm

Mr David Amess (Southend West) (Con): I congratulate my hon. Friend the Member for Nuneaton (Mr Jones) on introducing this debate. I have decided to make a speech because, having heard many colleagues wax lyrical about their shopping centres, I have to tell the House quite firmly that the finest shopping centre in the country is in my constituency of Southend West at Leigh-on-Sea.

There have been many, many reports before, and all hon. Members know what the problems are: it is the solutions that challenge us. This morning, my hon. Friend the Member for Rugby (Mark Pawsey) and I were at the Olympic stadium. Indeed, we both ran round the stadium and did the 100 metres in under nine seconds, so Usain Bolt should be worried. We then went to Westfield shopping centre. Having been born in the area, I found it all very impressive, and we were told that Stratford has a better Westfield than west London. I looked around for elderly people, and thought, "Where do they go?"

When I was Member of Parliament for Basildon, we had the biggest covered shopping centre in the country. I have enough enemies without naming a particular supermarket, but in Basildon, we started off with one giant store. We ended up with another giant store, and a third one at the other end of the town. I had a terrible row with the then chairman of that supermarket, because not only did it sell groceries but white goods, and it then decided to have a post office in-store: it was completely out of control.

We were told that we had the so-called biggest covered shopping centre in the country, but we were then told that Gateshead had the biggest covered shopping centre. Then the honour went to Lakeside, then Bluewater. It goes on and on and on. As the former chairman of the small shops group, I want to make a plea for small shops and for older people. I worry where older people, who do not shop online at Amazon and so on, are going to shop. They cannot go round the supermarket; they cannot go to the big covered shopping centres. In Leigh-on-Sea, we have an absolutely brilliant range of small shops. Indeed, my predecessor, Paul Channon, used to take Princess Margaret to shop in the local shops, which are still there today. It is a wonderful village atmosphere.

It is all very well and good Members coming to the House saying how marvellous small shops are, but this is the toughest time that I have ever known for businesses, let alone small shops. If we do not use them, we will lose them. We must all be realistic: in this day and age, it is down to price. For older people, it is great that we still have these little shops, where the shop owner has the time to swap stories and listen to people talk about their aches and pains and the rest of it. I worry that with the increasing Americanisation of the UK, if we are not careful, the whole country will be run by one rampant supermarket, and we will end up with all these covered shopping centres.

Having represented two constituencies, I am in a good position to judge what happens. Given the lead that my hon. Friend the Member for Nuneaton has taken today, I am sure the Opposition spokesman and our excellent Minister who will respond to the debate will have all the solutions. I hope we will not just park the issue and leave it at that one report. Each Member of Parliament who has local stores should lead by example and shop locally. We must remember that if we do not use it, we lose it.

9.25 pm

Bob Stewart (Beckenham) (Con): We have changed the way we shop. Fifty years ago mothers in Beckenham and other towns in my constituency went to the shops daily to get the food that they needed for their families. Many more people lived in town centres. Today mothers and fathers normally get their week's food at one time. Supermarkets provide the family living essentials. They do so at the lowest price possible and they are open all hours. Internet shopping offers unbeatable value.

High streets cannot compete with that, so all our high streets must think about how they change. I am slightly disappointed that the Mayor of London's outer London fund has not given additional funding to my constituency, but I am very pleased that Bromley has been given another £5 million to help redevelop its town centre, as it is the major shopping centre that many of my constituents use weekly. Beckenham high street caters for local people from Copers Cope, Kelsey and Eden Park, Shortlands and Clockhouse. Our high streets must be designed with that in mind.

I shall end by making a few points, many of which have been made earlier. We need to make town centres places where people want to go, not just to shop, but to socialise and simply be there. I agree that parking and parking charges are a problem that needs to be addressed, but in my constituency people sometimes drive 30 minutes to Bluewater because of the free parking there, and it costs them a tenner in petrol.

Pedestrianisation is a two-edged weapon. I like the idea of shared space for vehicles and people together, and I want buses to go down Beckenham, West Wickham and Hayes high streets, bringing people in and out of the town centres. I like the idea of calming traffic but not stopping it, but pedestrianised town centres and high streets can be lonely and dangerous places at night. Cars passing sometimes help to mitigate the threat.

Beckenham, West Wickham and Hayes are ideal places for niche shopping. Everyone wants a mixed retail experience but now much of what we shop for is in supermarkets. I want to see reduced business rates and rents, if possible. These will help small businesses make a decent offering. I am glad that the Government are considering keeping back a portion of business rates for the local community.

As a society we must have decent and vibrant town centres. They are under threat and of course we are trying to do something about that. I am glad that we have had the opportunity to debate this matter today and I thank my hon. Friend the Member for Nuneaton (Mr Jones) for securing an important debate. Finally, I

must place on record a personal lack of interest. As hon. Members might expect, shopping does not float my boat very much. In fact, I detest it.

9.30 pm

Roberta Blackman-Woods (City of Durham) (Lab): I begin by congratulating the hon. Member for Nuneaton (Mr Jones) and the Backbench Business Committee on securing the debate. I must say that I am in completely the opposite category to the hon. Member for Beckenham (Bob Stewart), because I am an avid shopper, which is why I am particularly interested in the debate. Unfortunately, I seem to have passed the shopping gene on to my daughter, who occasionally seems to think that she is personally responsible for keeping some of the retail sector in Durham afloat—something I am sure many parents recognise.

The huge number of hon. Members who took part in the debate—54 in total—shows that the topic is relevant to many constituencies. I will not be able to mention every contribution, as just listing the Members' constituencies would probably use up most of my time, but I will comment on some of the points that were made. I think that all hon. Members who spoke, right across the Chamber, were tremendous advocates for their town centres and high streets, whether they were celebrating their successes, particularly in these difficult times, or arguing strongly that the challenges they face need to be addressed.

A few issues stood out in particular. Almost all Members who spoke mentioned parking and the need for a level playing field with out-of-town developments. That was sometimes coupled with a concern that out-of-town shopping centres had perhaps expanded too much in recent times, with an adverse effect on town centres, although I think that there was more debate about that. There was also some unanimity on the need to amend use class orders, particularly so that there is more flexibility on change of use. A number of hon. Members were keen to see more community involvement in shaping town centres and high streets, particularly in order to get greater diversity and to have an offer that goes beyond retail and includes leisure and social facilities. Many Members celebrated the advantages of markets, including indoor markets, and wanted them to increase in a number of towns and cities.

Several Members mentioned the need for more flexibility in rents and rent setting and business rates. In particular, they stressed the need to give local authorities more of a say in the level of business rate that should be applied and even to give a business rate holiday if that seems appropriate, as part of a package of measures, for regenerating particular areas. We know that changes to the business rate regime are coming, and the Minister might comment on that when he sums up.

There was a great deal of consensus about the fact that the Portas review is a very good thing and that the Government need to respond to it more quickly. I congratulate the Government on commissioning the Portas review and the Department for Business, Innovation and Skills report on understanding high street performance, carried out by Genecon, which went alongside it and provided us all with a lot of valuable information for our contributions to the debate.

There has been much consensus throughout the Chamber, but I am perhaps going to break it for a few moments, because, although I acknowledge that many of our high streets have struggled for several years, there is no doubt in my mind that the actions of this Government are making things much worse, particularly in disadvantaged areas. The downturn has hit our high streets hard, and, although thousands of jobs have already been lost in the retail sector, many more are at risk. We heard yesterday of yet more job losses in the sector throughout the country, and every day and every week more retailers seem to be going out of business.

Let us be clear about how serious the situation is. The latest shop vacancy report, compiled by the Local Data Company, found that town centre vacancy rates in Great Britain stand at 14.3%.

Derek Twigg: My constituent Liz Howard, of the Curiosity Bookshop in Runcorn, has raised several issues with me, not least those of unfair competition with supermarkets and of parking, but one issue in particular is derelict and unused buildings—some that have to be knocked down and others that are still unused. That is an area of real concern, so I hope that the Government will act upon it to improve the situation.

Roberta Blackman-Woods: My hon. Friend makes a good point, and I will turn to empty shops in a moment.

Void rates are another real issue, especially in secondary shopping areas, but the most recent wave of closures and the downsizing and retrenching of the retail sector are clearly causing a problem even in primary shopping areas.

There is a set of challenges for the high street, and that is not to mention the difficulties caused by the rise in internet shopping and by out-of-town centres.

Rory Stewart: Does the shadow Minister acknowledge, however, that internet shopping can be immensely beneficial to small, high-street shops? For example, in our constituency, the John Norris fishing supplies shop makes £12 million of sales over the internet but only £1 million through the door—and that allows it to keep going.

Roberta Blackman-Woods: I do accept that point, which my hon. Friend the Member for Stockport (Ann Coffey) made very well earlier. Nevertheless, the internet is, I think, an additional challenge for high streets and town centres.

I say all that not to talk down our high streets, however, because, as several hon. Members have said, the town centre or high street in their constituency is weathering the economic storm. I say it to demonstrate the extent of the problem, because not all town centres are thriving and we have to be clear about the action that needs to be taken.

In government, we had a strong "town centre first" policy, but even with that policy there was recognition that more needed to be done to revitalise high streets, so there is a particular challenge for this Government. They need to do more to bolster consumer confidence, as their austerity programme—cutting too far and too fast—coupled with their VAT hike last January has squeezed incomes, reduced consumer confidence and led to further job losses on the high street. In a YouGov poll last year, four fifths of retailers said that the VAT increase would undermine sales.

[Roberta Blackman-Woods]

The Government have so far also ignored the recommendations for a stronger "town centre first" policy, and they need to think about amending the draft national planning policy framework to reintroduce the sequential tests for town centres, because we really need that to encourage more town centre development.

Henry Smith (Crawley) (Con): Would the hon. Lady not acknowledge that the recently passed Localism Act 2011 gives real power to local communities and councils, such as Crawley borough council, to make town centre policies a priority where they think it is important?

Roberta Blackman-Woods: That is not the case if offices are taken out. Of course we all want more localism, but the Government also have to attend to their economic policies, which are damaging our high streets and town centres.

There are other issues that the Government need to address, such as business rates, the need for local flexibility to tackle unemployment, the lack of credit for small businesses and whether property values are artificially inflated in some areas. The big challenge is to respond positively and quickly to the Portas review. We welcome the review, not least because it champions high streets and town centres as community hubs where social, leisure and retail activities can take place. People are passionate about their town centres and want them to thrive.

I hope that we hear from the Minister how he will strengthen the "town centre first" policy. He will know that a number of large retailers, including the John Lewis Partnership, have said that the sequential test as it stands simply is not strong enough.

I am pleased that the Portas review touched on use class orders, which have been raised by many Members. I pay tribute to my right hon. and learned Friend the Member for Camberwell and Peckham (Ms Harman) for campaigning on this issue, in particular for a separate category for betting shops. I wish my right hon. Friend the Member for Lewisham, Deptford (Dame Joan Ruddock) well with her private Member's Bill, which is trying to put a change in use class orders into legislation as quickly as possible. We must be careful to ensure that if use class orders are changed, they are accompanied by safeguards, so that there is not abuse and misuse of the new guidance. For example, local communities do not want a change in use class orders that makes it easier for fast food outlets to be set up.

Empty shops are a particular issue. We urge the Government to follow through with the recommendations of the Portas review, many of which reflect the policies that Labour championed and carried out in government. We introduced the empty shops initiative, which enabled councils to pursue innovative uses for empty shops and reinvigorate high streets. For example, vacant units could be used for cultural, community or learning services, rather than be left empty. We hope that the Government will introduce such a policy as soon as possible.

It is important that we spend a bit of time thinking about how we redevelop high streets. We need to give councils more tools to do that. We want a more proactive use of compulsory purchase orders. That is mentioned specifically in the Portas review and it needs serious consideration. We also think that her suggestion of an empty shop management order could be pursued.

We are keen to see the town teams that Mary Portas recommends. We hope that they are active and vibrant local partnerships that work closely with business improvement districts. They should also work closely with the local community to make neighbourhood planning a reality. It is important that neighbourhood plans cover town centres and that every effort is made to involve local people in drawing them up. A number of hon. Members have made the point that if life is to be put back into town centres, particularly those that are failing, the involvement of the local community in shaping them is really important.

I finish by saying that in addition to following through with the Portas recommendations, we want the Government to pay some attention to our four-point plan to save our high streets—cutting VAT, giving local people the power to put the heart back into the high street, repeating Labour's empty shops initiative and promoting a fair playing field for our high streets.

9.44 pm

The Minister for Housing and Local Government (Grant Shapps): I join virtually every colleague who has spoken in congratulating my hon. Friend the Member for Nuneaton (Mr Jones) on securing the debate—a truly inspired move—and the Backbench Business Committee on ensuring that it happened.

I have had the pleasure of sitting through most of the debate and hearing the many by and large excellent contributions from hon. Members on both sides of the House. I have enjoyed it tremendously in the run-up to the Government's response to the Portas review. Of course, the debate has very much been spurred by the Mary Portas report, which was undertaken after the Prime Minister personally asked her to go out, look at what was happening in our town centres and high streets and make a series of proposals to make things better. There are 28 proposals in all, many of them quite detailed and many of which Members have touched on.

It has been fascinating to weigh up Members' representations. As one Member suggested, it has been like an afternoon and evening of sitting through maiden speeches, because every Member mentioned every town and village in their constituency. It made the debate much more enjoyable.

I should, as everyone else seems to have done, declare an interest—one Member declared a disinterest—by saying that 21 years ago last month, I started my own retail shop, a print business, so I have had some experience in retail and found out how tough it can be on the high street. Among the many significant problems that retailers have to overcome can be intransigence from local authorities, which, it has to be said, have until now had almost no interest in business in their area, and particularly in the retail sector. Why? Well, retail businesses do not vote, and the local authority does not get to keep their money. One of the most important reforms, therefore, which Mary Portas mentions in the report, must be the localisation of business rates. I am delighted that that legislation is now going through the House. Speaking as that small shop owner, I know that it will be of considerable

help to many people. Alongside that, of course, local authorities will have the ability to provide a discount on business rates if they choose to. The legislation will make that all the more easy.

As I am speaking in this debate, it would be remiss of me not to mention that the wonderful town of Hatfield suffers greatly from the same problems that many Members have described. It was a new town, and so bright was its future when it was set up. Unfortunately, partly because of the situation that has been mentioned—the road and the cars were taken out of the town centre, and the life was sucked out of it—it has struggled to have a renaissance. As the Minister taking the response to the Portas review forward, I can assure right hon. and hon. Members that I have personal experience of a failing town centre that needs to be rescued. That is why I take many of the measures suggested in the review so much to heart.

Car parking was the No. 1 concern mentioned by Members in the 54 contributions. It is absolutely right, and in fact quite obvious, to say that in today's society, when people either do not need to get into their car at all because they can simply click on something with a mouse to buy it or, if the option is available, as it now is in most parts of the country, drive to a shopping mall or shopping centre, an uncompetitive high street with high parking charges will always make a retail district suffer. It is absolutely essential, even in these incredibly tough times, for local authorities to appreciate that hammering the motorist visiting the local shops will not be the solution to the area's problems, and certainly not to those of retailers. Everything comes back to the fact that in future, under the localisation of business rates, for the first time it will matter to local councillors that businesses survive and thrive, because the local business rates will be retained.

The second most-mentioned item in the debate was the Mary Portas concept of town teams. That is the idea that if people want to promote their town, they need to get together. That involves not just the usual suspects—the town centre manager and perhaps an interested local councillor—but everyone, from the retailers and landlords to the council, and most notably Members of Parliament, forming a town team and leading the debate. If I am enormously enthused about one thing in the debate, it is that so many Members—it must be said that I am referring mostly to Government Members, who have largely filled the House—spoke with enormous passion and made it clear that they intend to lead the debate in their local areas. That will do an awful lot of good.

Members, and particularly the shadow Minister, mentioned the "town centre first" policy. Government Members would be far more tempted to take lectures on different solutions for the town centre—or whatever this week's soundbite is from Her Majesty's Opposition—if Opposition Members actually attended the debate. There were significant periods when but one person—the shadow Secretary of State—sat on the Opposition Benches. I felt so sorry for him—he seemed so lonely—that I was tempted to join him. People in the country and retailers would take Opposition Members' comments all the more seriously if they were expressed in this House.

Mary Portas has made many different recommendations and the Government have made a number of significant moves, including, for example, doubling the small business rate relief for two and half years to help small businesses through the Localism Act 2011; scrapping Whitehall planning guidance, which forced up parking charges in the past; changing the planning rules to allow councils to provide more parking spaces; and updating the licensing laws to give councils more power to tackle antisocial behaviour and, of course, the problems that came in with the 24-hour drinking laws.

I said that I would respond on the "town centre first" policy. We have focused on retail development in town centres. The national planning policy framework will be released by the spring. The hon. Member for City of Durham (Roberta Blackman-Woods) was quite wrong to say that it does not put town centres first, because it absolutely does. It is very clearly written, so I suggest she looks at the text again. We believe that town centres should be considered very strongly when making decisions. To reinforce that, the 2011 Act and the move towards giving local people the ability to make decisions, which was mentioned by more than one of my hon. Friends, mean that it will be much easier in future for local areas to prioritise in the way that they would wish to ensure that developments happen in the right way.

Duncan Hames: My right hon. Friend speaks with enthusiasm about the policies that the Government are introducing, but will he touch on the question I raised on the progress they are making to get rid of the regional spatial strategies and the old planning policies, which were forced on local areas by the previous Government?

Grant Shapps: My hon. Friend is right. Nothing did more damage to local areas than those hated regional spatial strategies. As everyone knows, my right hon. Friend the Secretary of State has already written to local authority leaders and the Planning Inspectorate confirming that we will abolish those regional planning strategies. That letter was immediately material consideration, but we now intend to lay the orders from the 2011 Act, which will mean that they will finally be gone. I can therefore tell my hon. Friend that policies and proposals from the once-emerging regional spatial strategies should carry very little weight indeed in the minds of anybody involved in our planning system today.

Meg Hillier: I hope the Minister gets to the betting shops issue, which is not a party political one—I lobbied the previous Labour Government on it. Will he answer the question asked in the debate? Will the Government give fair wind this Friday to the private Member's Bill promoted by my right hon. Friend the Member for Lewisham, Deptford (Dame Joan Ruddock), which would radically change our high streets?

Grant Shapps: There were many detailed recommendations in the report, and I am looking with great interest at the one on betting shops. I sense the impatience that has been expressed today for a response to Mary Portas's recommendations, and I can assure hon. Members that they will not have to wait terribly long to find out what our response will be. We have promised to deliver it by the spring, and we absolutely intend to do so; the hon. Lady will not have to wait very long at all—and I can confirm that I mean spring 2012.

We intend to provide a very energetic response to the Portas review. The Government like what she has said, and we have already started to implement a number of

[Grant Shapps]

her recommendations. I will be coming back to give greater detail on the other items that we have not so far covered, but we have a generally positive attitude towards the report. It is also true to say, however, that in order for her recommendations to work, it would not be sufficient for us simply to put in place all 28 of them. Hon. Members and others should not expect a universal recovery in the high street simply as a result of such action. Retail is much more complex than that, and we need to get to the heart of the reasons that it has suffered so badly.

Hon. Members mentioned the fact that there are two essential factors. The first is the growth of the internet, as recognised by Mary Portas. The second is the growth of the out-of-town shopping stores; again, the report recognises that factor. Both those factors are here to stay, no matter what we do. No one can legislate to get rid of the internet, or to do away with the out-of-town stores. The advantages of the existing high streets therefore need to be played up. The first is the ability of people shopping in the high street to touch and feel products does not exist when they are shopping online, although they could still do that in an out-of-town store.

The second advantage is perhaps more significant. It is the ability to meet, communicate and enjoy a coffee with friends, and to go to other facilities that are based in the same location. Such facilities could include a local library or, as my hon. Friend the Member for Nuneaton said, a theatre. The high street provides a sense of community and well-being that I will wager could never be provided by the out-of-town stores. They simply do not provide that sense of community and belonging that has been so vividly described by Members across the House today. I have visited many of their constituencies in my role as Housing Minister, and I look forward to visiting many of them again. We have been given a wonderful tour of the country today, and we look forward to seeing those high streets revived. The one pledge that will go out from the Government is that, in addition to implementing as much of the Mary Portas review as possible, we will ask Members from across the House to lead the debate and the renaissance in their constituencies in the months to come just as passionately as they have done in the Chamber today.

9.58 pm

Mr Marcus Jones: When I originally thought about applying to the Backbench Business Committee to hold this debate, I considered applying for a three-hour debate. However, my hon. Friend the Member for Kettering (Mr Hollobone) persuaded me to request a six-hour debate instead. I was persuaded, but I was concerned that we might not be able to fill up the time. I must have underestimated the concern and support of hon. Members for their town centres. It has been wonderful to hear some 50 colleagues make such profound and important contributions about their town centres. For once, I am glad to have been proved wrong. I am pleased that I managed to secure a full-day debate.

I must admit—this has been mentioned by several hon. colleagues—that I enjoyed travelling the length and breadth of the country with them, hearing the trials, tribulations and triumphs of hon. Members and their constituencies, town centres and high streets. Among all the comments, however, what really struck me was the passion of many hon. colleagues for their town centres. It is important now that we put that passion into meaningful action. I know that my right hon. Friend the Minister listened intently to much of the debate, as did his colleagues, and I am convinced that he will—

10 pm

Motion lapsed (Standing Order No. 9(3)).

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)).

IMMIGRATION

That the draft Immigration (Biometric Registration) (Amendment) Regulations 2012, which were laid before this House on 6 December, be approved.—*(Greg Hands.)*

Question agreed to.

Midwife and Maternity Services

Motion made, and Question proposed, That this House do now adjourn.—*(Greg Hands.)*

10 pm

Henry Smith (Crawley) (Con): Thank you, Mr Speaker, for the opportunity to hold this debate on midwife and maternity services. It is particularly important because, as I speak, there is a baby boom in the UK. Last year, a baby was born every 40 seconds—the highest number in 20 years—and in certain areas of the country maternity units are under considerable pressure and midwives are working harder than ever. England has seen a 22% increase in the number of births, compared to Wales at 17%, Northern Ireland at 15%, and Scotland at 12%. The number of live births in England in 2010—the latest year for which figures are available—was well over two thirds of a million, representing an increase of 22% since 2001.

The Royal College of Midwives recently published its "State of Maternity Services" report, and I was pleased to be at its launch in Westminster Hall. The report looks at a number of indicators of the pressures on maternity care and the resources available to cope, and for the first time it does so for all four nations of the Union. The report finds that a significant increase in the number of births in each of the UK's constituent parts and a trend towards older mothers are increasing the pressures on maternity services significantly. The extra work load placed on midwives by more older women giving birth has been exacerbated by an increased complexity in their work load.

The number of births to women aged 40 or over rose by more than 70% between 2001 and 2010—a level not seen since 1948. In England that has led to a substantial deficit in the work force needed to provide a safe level of care to women and their babies. Furthermore, the existing midwifery work force in England is ageing. We can therefore anticipate an even greater strain on services over the next 15 years, if the situation is not properly addressed. One region of England actually cut midwife numbers between 2001 and 2010. Between those years, the north-west experienced a 19% increase in the number of live births, but a reduced number of full-time equivalent midwives.

The only way to get large numbers of new midwives into the profession is through training student midwives, yet the record on student midwife numbers is patchy. In the 2005-06 academic year, for example, there was even a 16% cut in student midwife numbers, and it took five years for those numbers to climb back up to their 2004-05 level. With an ageing profession, a substantial and consistent rise in student midwife numbers is the only way of rectifying the enduring problem that there are too few midwives working in the NHS in England.

I very much welcome the increased number of midwives and trainee midwives introduced by the Government. That is fundamental. I also very much welcome the increase in NHS funding over each and every year of this Parliament, including the greater investment in maternity care as part of the solution. However, the financial limits resulting from the historically high debts that the previous Administration left us mean that innovative ways to address the work force shortages need to be considered.

I know that the Royal College of Midwives, for its part, is realistic about the financial challenges facing the NHS. The "State of Maternity Services" report recommends, for example, providing more midwife-led units and appropriately integrating maternity support workers as two ways to make better use of the limited financial resources available. The report also recommends at least maintaining, and in some regions increasing, the number of student midwives to ensure that more midwives are available to meet future needs.

Maternity services in England are approaching a critical point. London, along with many parts of the south and east, is particularly overstretched, with some maternity units currently having a midwife vacancy rate of over 20%. Maternity services in Scotland, Wales and Northern Ireland are in better shape. According to the Royal College of Midwives, an average ratio of one midwife to 28 births is a safe level. At the moment the figures for the UK are as follows: in England there is one midwife for every 33 births, in Wales there is one for every 30 births, in Northern Ireland one for every 28 births, and in Scotland one for every 26 births. There are clear variations in care across the UK that need to be addressed. It is clear that with adequate midwife numbers to match the birth rate, mothers and babies receive a higher standard of care.

The situation in England is a concern, but it is certainly not hopeless. The midwifery shortage can be solved; it is simply a matter of policy will and using resources innovatively. For example, giving expectant mothers real choice when deciding where to give birth could alleviate the shortage problem in England. In essence, a mother has three main choices when choosing the location of birth: a midwife-led unit, a consultant-led unit or at home. Most women choose a local hospital, usually for convenience and because of the perception of safety and security. Encouraging more births at midwife-led units, however, would help with NHS work force planning. Births at home or in midwife-led units require fewer interventions and are less demanding on midwife time. According to calculations, for every 10,000 births moved from a consultant-led to a midwife-led unit or to the home, the required midwifery work force would be reduced by the equivalent of 71 full-time midwives.

There are significant variations in home birth take-up, which suggests that the message of choice is not getting through to all mothers. For example, in Somerset 11.4% of births are at home. At the other end of the scale, however, in Wansbeck, just 0.1% of births are at home. By encouraging real choice we could enable mothers across the country to receive higher levels of care during and after their pregnancy.

Choice of location of birth—that is, of course, a specific coalition policy set out in the NHS White Paper—is far too important to be denied to mothers, particularly when it is readily available in other parts of the country. According to the Office for National Statistics the percentage of home births decreased to 2.5% in 2010 compared with 2.7% the previous year.

Research by Oxford University's national perinatal epidemiology unit has given further weight to the evidence that suggests women at a low risk of complications should be given full and frank options when it comes to

[Henry Smith]

choosing where to give birth. The general secretary of the Royal College of Midwives, Professor Cathy Warwick, welcomed the research, saying:

"This ground-breaking research makes a very important contribution to the evidence base for women and health professionals about the safety of childbirth planned in different settings for women at a low risk of complications. The RCM hopes that its findings will be widely used and will help health professionals support women to make informed choices about their options when considering where to give birth. It should also influence the planning of high-quality maternity services across the UK."

Maternity support workers who have been adequately trained, and are appropriately supervised and suitably deployed, can also provide a significant reduction of the pressure on midwife time.

Jim Shannon (Strangford) (DUP): I thank the hon. Gentleman for bringing this matter to the House. He will be aware that some 70% of midwives oversee the birth of a child without a doctor's support. He has not mentioned that it can cost up to £45,000 to train a midwife. Some of our midwives, certainly some from Northern Ireland, are going to Australia to gain experience. Does the hon. Gentleman see some way of retaining midwives here in England, where, as he has said, there seems to be a shortage? Might there not be some way for the regions to help each other in this respect?

Henry Smith: The hon. Gentleman has raised an important point, which reinforces my view that there must be proper investment—the Government are already making a good start—to ensure that student midwives learn how to help mothers give birth in a safe environment so that in most cases there are no complications. It should be emphasised that consultant-led maternity units, although obviously vital, do not represent the full picture, and that midwife-led units play an important role in increasing capacity. Midwife training in each part of the United Kingdom should be at least maintained, and in some regions increased. It is necessary to maintain the numbers who begin training to ensure that an adequate supply emerges at the other end, and I repeat my commendation of the Government in that regard.

Let me end by referring to a matter related to my constituency. Yesterday evening, during the Opposition day debate on the NHS, I mentioned that 10 years ago, in 2001, the maternity unit at Crawley hospital had regrettably been closed and moved nearly 10 miles up the road to East Surrey hospital. The move has created extra pressure at that hospital, and mothers and their families have a more difficult journey to attend the unit at for check-ups and for births.

I am personally very grateful to East Surrey hospital. It is where my children were born. My daughter Georgia was born there in 2003, my son Isaac was born there in 2006, and I feel that it is important also to mention that my son Ethan was stillborn there in 2005. The care that the hospital provided for us was second to none. Nevertheless, I think it important for mothers and families to have access to midwife-led services that are closer to their communities. It is certainly one of my hopes and desires that we may be able to establish a midwife-led unit for Crawley—and, indeed, many more such units throughout the country.

10.13 pm

The Parliamentary Under-Secretary of State for Health (Anne Milton): Let me begin by not only congratulating my hon. Friend the Member for Crawley (Henry Smith) on securing the debate, but thanking him for raising the high-profile issue of midwife and maternity services. Those services, and the midwives who work in them, are extremely important to women, and the provision of high-quality maternity care is non-negotiable for a Government and a health service. I want to outline some of the measures that we are taking to improve the quality of that care, but let me first pay my own tribute to the midwives throughout the country who do such a fantastic job.

I hope that you will allow me a brief personal comment, Mr Speaker. My four children were delivered in four different hospitals, but in each of those instances the midwife had a profound impact on the experience, and a profound impact on the start that we made with a new little family member. I know that it will have been the same for many other families. The importance of midwives and maternity services cannot be overestimated.

We want to ensure that all pregnant women and new mothers receive the best care that it is possible to give. As my hon. Friend has said, and as other Members will know only too well, maternity services face increasing challenges, and they will have to evolve to meet those challenges. Over the last few years the birth rate has been rising, and the number of complex pregnancies is rising as well. There are also more high-risk births. Women are having babies when they are older, heart disease and obesity are increasing, and more mothers born outside the United Kingdom are giving birth here.

Impressive improvements have been made in many services. The Care Quality Commission's 2010 survey of women's experiences of maternity services found that 92% of the women surveyed rated their care during pregnancy as excellent, very good or good, 94% rated their care during labour and birth as excellent, very good or good, and 89% rated their care after birth as excellent, very good or good. I hate statistics as they can seem meaningless and dry. It is important to congratulate the midwives who achieved those satisfaction figures, but we should never forget that if 94% of women rated their care during birth as good or better, then 6% thought they did not get care that was good enough. That might not seem like a large proportion, but for the women concerned it is all that matters.

John Woodcock (Barrow and Furness) (Lab/Co-op): I have written to the Minister about the high-profile problems at the Furness General maternity unit, triggered by personal tragedies. What reassurances can she give on the future of that unit? More generally, what can she do to ensure that trusts with poor performing services in need of investment get the resources they need to deliver the first-class care people in my constituency and the whole country rightly expect?

Anne Milton: I acknowledge that the hon. Gentleman has written to me about those issues, and I will come on to discuss the measures we want to put in place to ensure such past tragedies do not happen again. CQC reviews have corroborated that there are problems. It raises concerns about the safety and quality of maternity care in some areas. They are small but significant areas

of concern, and they must be of note to all involved in this area of care, especially as sometimes they involve personal and family tragedies.

Media and public attention on maternity services has picked up pace over the last year. In particular, there is anxiety about safety, capacity and changes to services. In many respects, there is a "perfect storm" of circumstances, which makes things difficult. The issue is how well we react, and how well services evolve and the work force are equipped to react positively.

We have put extending maternity choice as a key priority in the NHS operating framework. To help communities achieve the desired outcomes in the most individually suitable ways, when services change, that change will be led by clinicians, midwives, and women—the very people who run and use those services.

To make sure the maternity infrastructure is being put to best use, I want there to be maternity provider networks across the country, bringing together all the different elements of maternity services, so there are no gaps or hidden corners where mothers might get substandard care. The incident that the hon. Member for Barrow and Furness (John Woodcock) raised involves precisely such hidden corners and gaps, and such incidents often result in a personal tragedy. Hospitals, GP surgeries, charities and community groups can all be linked up to share information, expertise and services.

We also want more efficient use of skills in maternity wards themselves. Obstetricians and gynaecologists, maternity support workers and, of course, midwives can come together and use their complementary skills and expertise to get the best results for mothers, with appropriately trained support workers providing valuable assistance, for example with breastfeeding, leaving midwives to concentrate on the more specialist areas. This is not just a numbers game; it is about getting the skills, expertise and team mix exactly right. That will mean the talents of all 27,000 midwives can be put to the best, most efficient, use. That number shows that more midwives are working in the NHS now than ever before. The picture looks good for the future, too, because it is backed up by a record number of midwives entering training. Subject to the number of forecast births, that will be maintained.

In July, we published "Supporting Families in the Foundation Years". That report does not have the catchiest of titles, but it is important because it sets out how everyone who commissions, delivers or leads on something can work to support parents and families. We cannot overstate the importance of the health and well-being of women before, during and after pregnancy; it is a critical factor in giving children a good start and in continuing that good health and well-being as they get older. The latest data show that more than 90% of women who gave birth in the third quarter of 2010-11 saw a maternity health professional within 12 and a half weeks. That is another dry statistic, but it is crucial. Early intervention and early contact with a maternity health professional is crucial to the well-being of not only the mother, but the child. Those meetings are about more than just basic maternity care. Work will have been done on, and discussions will have been had about, things such as diet, exercise, smoking and drinking. This is about improving the health of the baby, the mother and the whole family, and decreasing the kind of health inequalities that remain and are so persistent in our society. All those things affect the outcome for those women and their babies, and the lasting impact of those things cannot be underestimated.

To back all that work up, from April a maternity experience indicator will be introduced as part of the NHS outcomes framework. That will be an important part of identifying those gaps, as it will allow us to chart a woman's experience of care throughout antenatal care, labour, delivery and post-natal care. It will also allow women and their partners to compare people's experience of care and make choices about what they want to do. It will be a valuable tool for midwives as well, as they will be able to see how they are doing in relation to peer organisations. If they are doing well, this will drive them on to maintain their level and if there are weaknesses, the experience indicator will show specific areas to improve. As I say, this is not about the numbers; it is about getting the team mix right. In one busy maternity unit that I visited, it was simply about moving women around the labour facilities effectively and efficiently.

The Department of Health funded the "Birthplace in England" study, which was published in November last year. It provided evidence about the expected outcomes for women and their babies at "low risk" of complications. It was the first study of its type in this country, and the findings will be a very important part in shaping maternity services, as well as other, linked parts of the NHS, such as ambulance services, so that every part of the system is working together. It is an extremely important body of evidence. In addition, we have asked the Centre for Workforce Intelligence to carry out an in-depth study of the nursing and maternity work force to determine whether we have the right skill mix and professional teams, and whether they are able to deliver what is needed. That will start this year and will inform the future commissioning of training places.

I hope that what I have said reassures my hon. Friend the Member for Crawley and other hon. Members in the Chamber that we are continuing to improve maternity services to women, whoever they are, wherever they live and whatever their circumstance; it is not good enough to give excellent care in one place and for services to be patchy elsewhere. We want consistently high-quality care and we will carry on with that process, making sure maternity services and midwives are fully prepared for the demands of the modern maternity landscape.

I know that my hon. Friend has had specific issues to deal with in his local area and that they have been ongoing for many years. I am also aware that the picture is complex in terms of the circumstances of the women who end up using the local services. I hope that I have reassured him, to some extent, that we have taken note of what is going on. There is no doubt that the birth of a baby is a very special moment and we want it to be a positive experience that shapes the future of not only the child and their mother, but the whole family.

Question put and agreed to.

10.25 pm

House adjourned.

House of Commons

Wednesday 18 January 2012

The House met at half-past Eleven o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

WALES

The Secretary of State was asked—

Claimant Count

1. **Chris Ruane** (Vale of Clwyd) (Lab): What steps the Government are taking to reduce the claimant count in Wales. [89232]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): The latest claimant count figures in Wales show some encouraging signs, but there is still much to do to ensure that the recession does not leave a legacy of worklessness in Wales. The Government remain committed to creating the right conditions for the private sector to grow and to create jobs in Wales.

Chris Ruane: Some 46% of the workers in my constituency and 45% of the workers in the hon. Gentleman's constituency work in the public sector. The coalition Government's theory is that as they sack public sector workers, the number of private sector jobs will increase and those sacked workers will be taken on. How many private sector jobs were created in the Minister's constituency in the past six months and in my constituency, the Vale of Clwyd?

Mr Jones: The hon. Gentleman repeatedly raises the issue of public sector jobs in Wales, and he will know that it is generally agreed that Wales is over-dependent on the public sector and under-dependent on the private sector. The creation of private sector jobs is largely the responsibility of the Welsh Assembly Government, of which his party is in control.

Alun Cairns (Vale of Glamorgan) (Con): The potential risk to jobs related to Peacocks is a worry to all in south Wales and well beyond, across the United Kingdom. What action can the Minister take with his colleagues here in Westminster and in co-ordination with the Welsh Government? Will he pledge to do everything possible to help them find a funder to secure those jobs over the longer term?

Mr Jones: Yes, the issue of Peacocks is of great concern not just to Wales, but to the whole of the United Kingdom. Some 10,000 people are employed by Peacocks. Already my right hon. Friend the Secretary of State has been in communication with the Secretary of State for Business, Innovation and Skills to discuss the issue. I understand that the Welsh Minister for Business, Enterprise, Technology and Science has also been in communication with the Minister of State, Department for Business, Innovation and Skills, the hon. Member for Hertford and Stortford (Mr Prisk).

Mr Elfyn Llwyd (Dwyfor Meirionnydd) (PC): Figures published yesterday by the TUC, based on Office for Budget Responsibility figures, estimate that between now and 2017 a further 40,000 public sector jobs will be lost in Wales. What is the Minister's Department doing to stem those losses, and generally, what is the Department doing to assist the economy of Wales?

Mr Jones: The right hon. Gentleman is right. The OBR figures project a loss of public sector jobs. At the same time the OBR figures predict that there will be a gain of some 1.7 million private sector jobs during the same period. My Department is strongly engaged with the Department for Business, Innovation and Skills and working closely to do all we can to ensure that the private sector grows in Wales.

Mr Llwyd: The Secretary of State and the Minister have heard the awful news about Peacocks. Surely billions of pounds of taxpayers' money was not pumped into the banks so that those same banks could now pull the plug on companies such as Peacocks. Will the Minister and his right hon. Friend do everything they can to save the company? It is important for the whole UK, but vital for jobs in Wales.

Mr Jones: The right hon. Gentleman makes a very important point, which is quite correct. He will understand, I am sure, that these are early days in this unfortunate saga. All I can do is assure him that our Department is liaising closely with the Department for Business, Innovation and Skills to do all we can to ensure that those jobs, if possible, can be saved.

Inward Investment

2. **Kevin Brennan** (Cardiff West) (Lab): What recent discussions she has had with Ministers in the Welsh Government on inward investment in Wales. [89233]

The Secretary of State for Wales (Mrs Cheryl Gillan): I have had a range of meetings with Welsh Government Ministers and look forward to meeting the Welsh Government Minister for Business, Enterprise, Technology and Science on 6 February, when we plan to discuss, among other things, inward investment.

Kevin Brennan: The right hon. Lady will know that RBS is blaming the lack of investors for its decision to pull the plug on a deal to save Peacocks, threatening thousands of jobs. My constituents cannot understand why they were expected to bail out RBS, but RBS is refusing to help them in their time of need, when their jobs are at risk. What is the right hon. Lady doing to talk to RBS about its responsibilities in this matter?

Mrs Gillan: The moment I heard about Peacocks, I discussed it with the Secretary of State for Business, Innovation and Skills, and the Welsh Assembly Business Minister has spoken to the Minister of State, Department for Business, Innovation and Skills, the hon. Member for Hertford and Stortford (Mr Prisk). I have the greatest sympathy. I have shopped in Peacocks myself and I

know how many jobs depend on it. It is important that we explore every possibility, but I am not going to stand at the Dispatch Box, as the hon. Gentleman knows, and make false promises. We will look at what we can do for Peacocks, but it will involve the Welsh Government, as he well knows.

Guto Bebb (Aberconwy) (Con): Does the Secretary of State agree that inward investment played an important part in the Welsh economy and could do so again, but to have an impact Westminster and Cardiff must work together? Is it not disappointing that the Welsh Assembly seems to be very reluctant to talk with UK Trade & Investment about providing growth for the Welsh economy?

Mrs Gillan: My hon. Friend is absolutely right. I was disappointed to see that in an interview on this very subject in an article in the *Western Mail* today no reference was made to working with the Department for Business, Innovation and Skills and UKTI. I have always advocated team Wales and that we should be working together. I was delighted to see that my noble Friend Lord Green of Hurstpierpoint, who is responsible for UKTI, has opened an invitation to every MP to get together with UKTI and host a seminar in the constituency, perhaps together with MPs from neighbouring constituencies. That is a great innovation where we can all work together, whether it is the Welsh Government, Assembly Members, MPs or Members of this House.

Huw Irranca-Davies (Ogmore) (Lab): The worrying news about Peacocks hangs especially over the constituency of my hon. Friend the Member for Cardiff West (Kevin Brennan) where the headquarters stand, and the constituency of my hon. Friend the Member for Pontypridd (Owen Smith) with its distribution centre at Nantgarw, but the ramifications are felt right across the country, including in my own constituency where many travel to work in those centres, but also in retail centres such as in Maesteg. Will the Secretary of State directly intervene and work to keep these 10,000 vital jobs, not least as the jobless number is now rising inexorably throughout the UK, the economy is flatlining and consumer confidence is plummeting?

Mrs Gillan: The hon. Gentleman speaks powerfully, but he has been a Minister and knows that direct intervention would not be appropriate until more investigations have been made as to the reasons for this reported failure of Peacocks. Because so many jobs depend on this, if there are any redundancies or job losses, Jobcentre Plus will be there to provide individual support, as it has done in other instances. I assure him and all those beyond the Chamber whose jobs depend on Peacocks that this Government and the Welsh Government, and I am sure all of us together, will do what we can.

Jenny Willott (Cardiff Central) (LD): Given that up to now Assembly Ministers have been very slow off the mark to take action to help out with the terrible situation facing Peacocks, will the Secretary of State ensure that Ministers at both ends of the M4 pull together to try to put pressure on the banks to ensure that we can save this important Welsh company?

Mrs Gillan: My hon. Friend is absolutely right. This is a very important company and there are many jobs to consider, as I have said before. I cannot say too often that we will look at doing all we can, but I cannot stand at the Dispatch Box and make false promises at this stage before we have further and better particulars and we know the outcome of the current negotiations that are taking place between Peacocks and the banks. She should be comforted by the fact that the Minister for Business, Enterprise, Technology and Science in the Welsh Government, the Secretary of State for Business, Innovation and Skills in our Government and I have all already been in contact on this matter.

Sayce Review

3. **Ian Lucas** (Wrexham) (Lab): If she will assess the effect on Wales of the implementation of the recommendations of the Sayce review on employment services for disabled people. [89234]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): Public consultation on the recommendations of the Sayce report has closed. The Government are analysing the responses and will consider the implications for Wales and across the country before publishing a statement on future policy.

Ian Lucas: Wrexham Remploy has made good progress in the last four years in providing jobs for disabled people in the Wrexham and north-east Wales area, but the Sayce review and its contents threaten Remploy, not just in Wrexham but throughout Wales. Unfortunately, the Under-Secretary of State for Work and Pensions, the hon. Member for Basingstoke (Maria Miller), who has responsibility for disabled people, refuses to give me details of the financial position of Wrexham Remploy until the review is completed. Will the Minister please work with me to obtain those figures so that the 50 people who are employed in my constituency will know what their future is and know that the Government are not threatening them?

Mr Jones: The hon. Gentleman will know that the Sayce review made the commitment that existing employees in Remploy should be offered the opportunity of expert entrepreneurial and business support over a decent period of time to develop businesses, so the Sayce report shows commitment to Remploy. I hear what the hon. Gentleman says about his communications with my hon. Friend the Under-Secretary and if he would care to write to me, I will certainly pursue the matter.

Nia Griffith (Llanelli) (Lab): The way in which the Government propose to abolish disability living allowance will take £105 million a year away from disabled people in Wales, money they desperately need to help them cope with the extra costs of living with a disability, as the Secretary of State of all people should know. What meetings has she or the Minister had with disabled people in Wales on the Welfare Reform Bill, and how do they intend to address people's very real fears about it?

Mr Jones: The Government remain committed to supporting disabled people and determined that that support should be targeted at those most impacted by their health condition or disability. As the hon. Lady

will know, the new personal independence payment will be objective, fair and strongly evidence-based and will enable accurate and consistent assessments of individuals to determine who will benefit most from additional support.

First Great Western

4. **Kerry McCarthy** (Bristol East) (Lab): What recent discussions she has had with the Secretary of State for Transport on the First Great Western franchise. [89235]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): The Wales Office has regular discussions with the Department for Transport on a range of transport issues that affect Wales.

Kerry McCarthy: Does the Minister think that electrification of the First Great Western line will boost house prices along the route and, if so, would he advise my constituents in Bristol and the good people of Wales perhaps to wait a while before selling their homes?

Mr Jones: I am sure that the hon. Lady is in a better position to assess the impact of electrification on her constituents than I am, but I would have thought that it is something that Members on both sides of the House would welcome.

Mr Mark Williams (Ceredigion) (LD): The Minister will be aware that people in mid-Wales have campaigned for a long time for a direct route from Aberystwyth to London and an hourly service from Aberystwyth to Shrewsbury. I encourage him to encourage others to take action on both fronts.

Mr Jones: I hear what my hon. Friend says. He can be assured that the Wales Office always does what it can to improve transport links within Wales.

Mr Wayne David (Caerphilly) (Lab): On the issue of railways, we have a great deal of sympathy with the Secretary of State on why she felt the need to sell her constituency home. Will she now take the opportunity to buy a home in Wales?

Mr Jones: My right hon. Friend's living arrangements are entirely a matter for her, and that has of course been positively vindicated by the letter my right hon. Friend the Prime Minister recently sent to the hon. Member for Hemsworth (Jon Trickett).

Mr Speaker: I remind the House that we are on the subject of the First Great Western franchise.

Duncan Hames (Chippenham) (LD): Some of the cross-border services on the franchise run on the Cardiff to Portsmouth line, which in places suffers from severe overcrowding, as experienced by my constituents in Bradford on Avon. Will the Wales Office support our call for greater capacity on that cross-border route under the new franchise?

Mr Jones: My hon. Friend might be aware that extra capacity is being provided this year, with an additional 48 carriages that will provide 4,500 extra seats at peak times between London and south Wales.

Allocation of Funds

5. **Roger Williams** (Brecon and Radnorshire) (LD): What recent assessment she has made of the effect of the autumn statement on the allocation of funds to the National Assembly for Wales. [89236]

The Secretary of State for Wales (Mrs Cheryl Gillan): The autumn statement, and the subsequent written ministerial statement by the Chief Secretary to the Treasury, confirmed that the Welsh Government will receive an extra £238 million in Barnett consequentials. This additional money is an opportunity for the Welsh Government to act in the areas they are responsible for to ensure that Wales has a bright future.

Roger Williams: As a result of extra funding, the pupil deprivation fund, which was agreed to by the Welsh Government and Welsh Liberal Democrats, will mean that schools in Wales are better resourced, closing the education funding gap between England and Wales. For example, Maes-y-Dderwen school in my constituency will receive an extra £34,000 a year. Does the Secretary of State agree that this will help children and young people in Wales after 13 years of Labour underfunding in education?

Mrs Gillan: I agree with my hon. Friend, because it was the extra funding from the Treasury to the Welsh Government that enabled the leader of the Welsh Liberal Democrats in the Assembly to negotiate the extra funding for the pupil deprivation fund. That merely follows what my right hon. Friend the Secretary of State for Education has introduced in England. It is worth reflecting that after 13 years of Labour government the spending gap between England and Wales remained at around £600 per pupil.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The signature policy of the recent autumn statement was the capital investment programme, which included provision to raise £25 billion of finance from pension funds. What discussions has the Secretary of State had with the Welsh Government and the Treasury to put in place structures to ensure that Wales does not lose out?

Mrs Gillan: As the hon. Gentleman knows, the settlement on capital funding has been good for Wales. The additional moneys that were announced in the autumn financial statement have made a great difference to the way in which the Welsh Government are budgeting. I regularly meet Welsh Government Ministers and colleagues in the Treasury. If the hon. Gentleman wishes to know further and better particulars, I will ensure that we talk together from time to time about developments.

Mr Peter Hain (Neath) (Lab): On funding, why does the new high-speed rail plan not follow the original route via a Heathrow hub, allowing south Wales travellers direct access to the airport and a direct connection to the network?

Mrs Gillan: As the right hon. Gentleman knows, that was the previous Labour Government's route. Matters concerning high-speed rail, HS2 and Wales are handled by the Under-Secretary of State for Wales, as he well knows. I will arrange for my colleague to write to him.

Mr Speaker: We are on the subject of funds to the National Assembly.

Mr Hain: I find that reply astonishing. The right hon. Lady is Secretary of State for Wales. She has a duty, as has the whole of the Wales Office and as did her predecessors, to advance the interests of Wales. Is it not the truth that she failed to make the funding case for Wales on HS2 and we lost a great opportunity? Is it not the truth that she has spent the past 18 months demanding expensive funding concessions for her Buckinghamshire constituents, rather than advancing Wales's funding interests? Is it not the case that she has been more concerned with stopping trains, building tunnels and selling houses in her constituency than with supporting investment, growth and jobs to benefit Wales?

Mrs Gillan: I am surprised by the right hon. Gentleman, because in all the years that he was Secretary of State for Wales, he did not achieve the electrification of one single inch, whereas we in the Wales Office have already announced the electrification of the line to Cardiff. Electrification of the line to Swansea is still open and that is unfinished business. As he well knows, we are now working on the electrification of the valleys line. I hope that I will have his support for that as well. *[Interruption.]*

Mr Speaker: Order. There are far too many noisy private conversations taking place in the Chamber. I am sure that the whole House will be united in wishing to hear Mr Peter Bone.

Human Trafficking

6. **Mr Peter Bone** (Wellingborough) (Con): What discussions she has had with the First Minister for Wales on cross-border human trafficking. [89237]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): The Secretary of State met the anti-human trafficking co-ordinator for Wales in December. Combating human trafficking is a key priority for the Government and we fully recognise the importance of tackling the issue in Wales.

Mr Bone: I thank the Minister for that answer. Of course, Bob Tooby is the tsar for human trafficking in Wales. He has warned of the problem of internal trafficking, both into Wales and out of Wales. Can this House learn something from Wales? Will the Minister recommend to the Prime Minister that we have a similar tsar for the rest of the United Kingdom?

Mr Jones: The Government are very supportive of the Welsh Government's introduction of the anti-human trafficking co-ordinator for Wales. He works closely with the UK Human Trafficking Centre and I am sure that he will make his own strong representations in that regard.

Hywel Williams (Arfon) (PC): Does the Minister accept that there has long been concern about the staffing levels at Holyhead, which is the premier port between Ireland and Wales, and between Ireland and the UK? Will he assure the House that immigration and security staffing levels will be maintained at a proper level?

Mr Jones: The hon. Gentleman makes an important point, which I raised in opposition. Holyhead is an extremely important port and the Wales Office co-ordinates closely with the Home Office on that issue.

Apprentices (Wales Office)

7. **Robert Halfon** (Harlow) (Con): How many apprentices are employed in her Department. [89238]

The Secretary of State for Wales (Mrs Cheryl Gillan): I am delighted to say that despite having a small Department of about 60 staff, two apprentices were recruited to the Wales Office last year. Both are doing very well and their teams are already impressed by their professional attitude and level of competence, as am I.

Robert Halfon: Will my right hon. Friend support the parliamentary apprentice school that I founded with the charity, New Deal of the Mind? Will she also consider encouraging suppliers to the Wales Office to hire apprentices? The Department for Work and Pensions is already doing that with great success and helping to reduce youth unemployment.

Mrs Gillan: I know of the great work that my hon. Friend has been doing on apprenticeships. Although we are a small Department, which relies on the Ministry of Justice for many of our services, I will do what I can to ensure that our suppliers are encouraged to adopt similar practices. My hon. Friend might be pleased to know that the Welsh Government recruited 24 new apprentices in 2010 and 66 in 2011. I will write to them to ask whether they can ensure that their suppliers do what he suggests.

Paul Flynn (Newport West) (Lab): Although I greatly I admire the work of my close comrade, the hon. Member for Harlow (Robert Halfon), is not there a danger that apprenticeships that are essentially relabelled job creation and job experience schemes or internships, without a job, skill or indentures at the end, are likely to increase the cynicism and disillusionment among young people?

Mrs Gillan: I hope that the hon. Gentleman will be pleased to know that, for example, all the apprentices at the Welsh Government undertake business administration NVQs and are recruited through fair and open competition via their website, with support from Careers Wales and Jobcentre Plus. That shows that the apprentice programmes are equipping young people to take up jobs in the future. *[Interruption.]*

Mr Speaker: Order. The House must come to order. We are discussing matters of intense interest, especially to the people of Wales.

Public Sector Employment

8. **Owen Smith** (Pontypridd) (Lab): What assessment she has made of the likely change in levels of public sector employment in Wales in the period up to 2017. [89239]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): A forecast of public sector job losses was published last November by the Office for Budgetary Responsibility. It was based on UK-wide macro-economic data and no regional breakdown is available.

Owen Smith: As we have heard this morning, it is not only public sector jobs that are at risk in Wales. Does the Under-Secretary agree that the Peacocks jobs in jeopardy in my constituency and throughout the country are at risk largely because of the Government's economic decisions to choke off consumer demand and raise VAT?

Mr Jones: Of course, I share the hon. Gentleman's concern about the plight of Peacocks. However, so far as I can see from the reports that I have had to date, it is nothing to do with the Government's economic policy, but everything to do with Peacocks' banking arrangements. The Wales Office is intensely concerned about the matter and will continue to express concern.

Small Businesses

9. **Simon Hart** (Carmarthen West and South Pembrokeshire) (Con): What support and advice her Department provides to small businesses in Wales affected by non-payment for work undertaken. [89240]

The Secretary of State for Wales (Mrs Cheryl Gillan): I understand the effect that non-payment for work undertaken can have on small businesses in Wales. The Government are determined to challenge the long-standing culture of late payment that persists across all sectors of the economy and across businesses of all sizes.

Simon Hart: The Secretary of State will know about several sub-contractors working on the Pembroke power station who have not been paid because of a dispute between the main contractors, Alstom and SOMI Impianti. Will she help me to put pressure on those companies to resolve their differences and get the sub-contractors paid?

Mrs Gillan: I greatly sympathise with my hon. Friend's constituents. I have always supported the rights of businesses on late payment of commercial debt. Back in 1994, I signed an early-day motion to that effect, so I have been consistent in my support for a long time. I am happy to meet my hon. Friend to see whether there is anything I can do.

Funding Formula

10. **David Mowat** (Warrington South) (Con): What recent discussions she has had with the Chancellor of the Exchequer on the funding formula for Wales. [89241]

The Parliamentary Under-Secretary of State for Wales (Mr David Jones): My right hon. Friend and I have regular discussions with my right hon. Friend the Chancellor of the Exchequer on issues affecting Wales.

David Mowat: The Under-Secretary will know that the English regions and Wales lose out because the block grant allocation is based not on need but on Barnett. In the case of Wales, the loss is about £300 million a year. What indication can the Government give us that there will be reform?

Mr Jones: Governments of all political complexions have recognised for many years the need for some parts of the UK to be funded differently from others. Concerns have, of course, been expressed about the Barnett formula, but the priority now is to reduce the deficit, and any changes to the system must happen once the public finances have been stabilised.

Nick Smith (Blaenau Gwent) (Lab): The Welsh Assembly has funded the initial development of a motorsport complex in Blaenau Gwent. Will the Minister please ensure that the Government give every funding support possible to get that project off the drawing board and on to the track?

Mr Jones: I commend the hon. Gentleman for the hard work he has done on that project. The Wales Office is very interested in the matter and we will continue to show interest.

PRIME MINISTER

The Prime Minister was asked—

Engagements

Q1. [90161] **Mr Laurence Robertson** (Tewkesbury) (Con): If he will list his official engagements for Wednesday 18 January.

The Prime Minister (Mr David Cameron): This morning I had meetings with ministerial colleagues and others and, in addition to my duties in this House, I shall have further such meetings later today.

Mr Robertson: The Prime Minister will be aware of the very strong uptake of academy status by schools in Gloucestershire, but is he aware of the enormous difference in funding that puts those schools at the bottom of the league table in terms of LACSEG—local authority central spend equivalent grant—funding? I welcome the Government's move towards a national funding formula but, in the meantime, will he look at the serious situation of those schools in Gloucestershire?

The Prime Minister: My hon. Friend is quite right. We need to sort out this problem even before looking at a national funding formula. We inherited the funding formula that he describes, and I believe it is flawed, which is why we are reforming it. The Secretary of State for Education has met academy heads in my hon. Friend's constituency and will happily discuss with him how we can deal with this problem. The growing evidence is that academy schools are not just good for the pupils who go to them, but by raising standards in those areas, they are actually raising standards of all schools at the same time.

Edward Miliband (Doncaster North) (Lab): The Prime Minister told us that unemployment would fall in each year of this Parliament. Today, unemployment rose for the sixth month in a row. Does he think that has anything to do with his Government?

The Prime Minister: The Government take absolute responsibility for everything that happens in our economy, and I take responsibility for that. Any increase in unemployment is disappointing, and it is obviously a tragedy for the person who becomes unemployed and can lead to real difficulty for that family. That is why we are taking so much action to try and help people to get back into work. Although the increase in unemployment is hugely unwelcome, it is noteworthy that the figures

today show that there is still an increase in the number of people employed—another 18,000 are in work. That shows that we need more private sector employment. We need to move further and faster on that agenda.

It is also noteworthy that there is a small decrease in long-term unemployment. I hope that shows that schemes such as the Work programme that the Government are introducing are beginning to have an effect, but again, we need them to go further and faster. There is not one ounce of complacency in this Government. We will do everything we can to get people back to work.

Edward Miliband: Does the Prime Minister not understand that when he boasts about rising employment, it just shows how out of touch he is? In some parts of London, 100 people are chasing three vacancies. That is the situation people are facing. Can he confirm that under his policies, far from things getting better over the coming year, he expects things to get worse and unemployment to rise to 2.8 million?

The Prime Minister: Forecasts are no longer set out by the Government; they are set out by the independent Office for Budget Responsibility. Unlike in the right hon. Gentleman's day, these forecasts are not fixed and fiddled by Ministers, but set out by independent economists. The Government's responsibility is to do everything we can to help people into work. That is why we have the Work programme, which is helping 3 million people; why we have the youth contract, which will get subsidised, private sector jobs for 160,000 young people; and why we have work experience for 250,000 young people. Half those are off benefits within two months, which is 20 times better value than the future jobs fund.

As I have said, there is no boasting about anything. What we have here is growth in the private sector and contraction in the public sector, but we need to get our economy moving. Key to that is having the low interest rates that the right hon. Gentleman's plans would put at risk.

Edward Miliband: The Prime Minister does not seem to understand. The reason why the OBR figures matter is that they show that over the next year, unemployment will get worse, not better, under his policies. Nothing that he can say can deny that. That long list of policies, according to the independent OBR, will make no difference.

Let us talk about young people. Can the Prime Minister confirm that in the past year, we now have 147,000 young people out of work for more than six months? That is double what it was a year ago—an increase of 102%. Why has he allowed it to happen?

The Prime Minister: Let me give the right hon. Gentleman the figures. Over the past year, unemployment among young people, measured by the independent labour organisation—the proper way of measuring the figures—is up by 7%. That is far too high. It is not the 40% increase that we had under Labour, but it is far too high. What we need to do is help those young people into work, and that is exactly what our programmes are doing.

Let me just make this point, because I think it is important. There is a fundamental difference between the way this Government measure youth unemployment and the way the last Government did. That is important, because the right hon. Gentleman's Government counted young people who were on jobseeker's allowance and in any form of scheme as not unemployed. This Government say that until they get a permanent job, we will measure them as unemployed. That is right. It is not complacent, it is frank, straightforward and what we never got from Labour.

Edward Miliband: It really is back to the 1980s—a Tory Government blaming unemployment on the figures. No wonder the Prime Minister has rehired Lord Young, the Employment Secretary in the 1980s.

On long-term youth unemployment, the Prime Minister is wrong on the facts. Long-term youth unemployment, which has a scarring effect on our young people who are out of work and have been out of work for more than six months, has doubled in the past year. However much he twists and turns about the figures, can he confirm that central fact—that it is up by 102% in the past year?

The Prime Minister: I have explained the figures. If we look at the number of young people who have been out of work for longer than 12 months, we see that it has started to go down. That is not nearly enough, and far more needs to be done, but that is what the Work programme is all about. That is what the right hon. Gentleman needs to understand.

There is a context to all this. If we want to get unemployment down, we have got to keep interest rates down, and we have had a reminder in recent days of what happens if you do not have a plan to get on top of your deficit, get on top of your debts and get your economy moving. That is what the right hon. Gentleman does not understand.

What we have is a Government who are absolutely clear about their plans and an Opposition who have absolutely no idea. Last year the right hon. Gentleman marched against the cuts, now he tells us that he accepts the cuts, yet today he is telling us that he wants to spend more and borrow more. He is so incompetent that he cannot even do a U-turn properly.

Edward Miliband: The Prime Minister is simply—*[Interruption.]*

Mr Speaker: Order. The House must try to calm down and contain itself.

Edward Miliband: I know that the Prime Minister does not want to talk about the young people out of work in this country, because he is embarrassed by his record on what is happening, but he owes it to them to tell the facts as they are about what is happening to them. I come back to this point: the Prime Minister said in his answer that long-term unemployment among young people is going down. It is not going down; it is going up.

The Prime Minister mentions the Work programme, which he introduced with a great fanfare in June. What has happened to long-term youth unemployment since he introduced his Work programme?

The Prime Minister: Let me give the right hon. Gentleman the figures. *[Interruption.]* I will give him the figures exactly. There are far too many young people who are long-term unemployed. There are 246,000 young people who have been unemployed for more than a year, but that is down 11,000 on the last quarter. That is not enough, and we want to do more, but it is because we

have the Work programme, the youth contract, 400,000 apprenticeships and 250,000 people going into work experience that we are making a difference. Why does he not come up with something constructive instead of just knocking everybody down?

Edward Miliband: I will tell him what he should do: he should change course. It is his policy. Why is unemployment rising? It is rising because he is cutting too far and too fast. It is his record. However much he twists and turns, it is his record. That is why unemployment is rising. Unemployment among women is the highest since the last time there was a Tory Government; youth unemployment is the highest since the last time there was a Tory Government; and unemployment is higher than the last time there was a Tory Government. Is not the defining characteristic of this Government that they stand aside and do nothing as thousands of people find themselves unemployed?

The Prime Minister: To be fair to the right hon. Gentleman, he changes course every day; he is an expert at changing course. Labour's shadow Chancellor said two days ago:

"My starting point is...we are going to have to keep all these cuts."

Then Labour's deputy leader said yesterday that

"we're not accepting the Government's...cuts, we are totally opposing them and we're fighting them."

The right hon. Gentleman is flip-flopping on a daily basis. It is no wonder that the founder of Labour's business forum had this to say:

"At a time when the nation needs strong political leadership, Labour offers nothing...the pro-business, pragmatic approach to wealth and enterprise"

have all gone.

"Instead there is a vision and leadership vacuum."

What total adequate testimony to what stands opposite!

Q2. [90162] **Stephen Phillips** (Sleaford and North Hykeham) (Con): My right hon. Friend will be aware that I recently raised the case of my late constituent, Mr Martin Pratt, with the Armed Forces Minister. He will also be aware of the excellent "Fighting Fit" report, written by my hon. Friend the Member for South West Wiltshire (Dr Murrison), dealing with post-traumatic stress disorder among veterans. Owing to the stigma often attached to mental illness, many veterans wait years before seeking appropriate help, and I hope that my right hon. Friend can tell the House what plans the Government have in this area, so that those who need help can seek it at the appropriate moment.

The Prime Minister: My hon. and learned Friend is entirely right to raise this issue. The mental scars that people who serve this country often receive can be every bit as deep as the physical scars. It is not something that we have always accepted and understood properly, which is why the report, "Fighting Fit", by my hon. Friend the Member for South West Wiltshire (Dr Murrison), is so important. He has real experience and understanding of this matter. We have accepted and implemented almost all its recommendations—we have launched the 24-hour combat stress support health line, we are introducing the advanced mental health assessments for service personnel and we hope to get the veterans information service up and running in April this year.

Mr Iain McKenzie (Inverclyde) (Lab): With the tragic accident involving the cruise ship Costa Concordia and the 50-plus liners of the same size or bigger that will visit Greenock dock on the Clyde in the coming months and year ahead, does the Prime Minister still think that it was the correct decision to close the Clyde coastguard station?

The Prime Minister: First, the case in Italy is clearly a tragic one, and our hearts should go out to the people who have lost loved ones—people from countries right across the world. We need to wait and see what the exact cause of the accident was before we jump to conclusions about any changes to regulations or other things. However, if changes need to be made, including on the issue that the hon. Gentleman raises, of course we will make them.

Q3. [90163] **Miss Anne McIntosh** (Thirsk and Malton) (Con): The Prime Minister has kindly undertaken to introduce a comprehensive water Bill early in the next parliamentary Session. Will he end the uncertainty for water customers and the industry alike by publishing the draft Bill now, so that we can have proper parliamentary scrutiny?

The Prime Minister: We will publish a draft water Bill for pre-legislative scrutiny in the coming months. As my hon. Friend knows, there are many important parts to the water Bill. One that stands out is the promise that we have made and the funding that we have supplied to help cut water bills in the south-west of our country by £50 from April 2013. That addresses a historical unfairness: people in the south-west feel that they have paid unfair charges to provide clean beaches for many of us who do not live in the south-west. I am delighted that we can make progress on this issue.

Q4. [90164] **Mr David Hamilton** (Midlothian) (Lab): In America, six directors from the bailed-out Freddie Mac and Fannie Mae companies have been taken to court for gross mismanagement. In this country, the Financial Services Authority says that it cannot bring enforcement action against Royal Bank of Scotland because of the ongoing legal tender. Will the Prime Minister consider introducing a legal sanction of strict liability into his draft Financial Services Bill so that those responsible for the banking crisis will be taken to task? After all, we are in this together.

The Prime Minister: The hon. Gentleman makes an important point. The whole point about overhauling our financial services regulation is that it gives us the opportunity to look around the rest of the world, see who has tougher penalties and work out whether we can introduce them to our system. That is why we will be introducing this Bill, with a major overhaul of how the Financial Services Authority and the Bank of England work, and dealing with the regulatory system that was not working properly.

Andrew George (St Ives) (LD): A year ago the Prime Minister told me that the reason for the, at the time, new Health and Social Care Bill was

"simply that this country now has European levels of health spending but does not have European levels of success".—[*Official Report*, 19 January 2011; Vol. 521, c. 831.]

Now that we know that that is not the case, will the Prime Minister shelve this disruptive and destructive Bill, which is struggling in another place, go back to the coalition agreement and build from there?

The Prime Minister: I have great respect for my hon. Friend, but I do not agree with him on this one. With the Health and Social Care Bill, a huge exercise was undertaken, in which the Deputy Prime Minister and I both played quite a large role, of actually listening to health professionals—to doctors, nurses and associated health professionals—to understand what they most wanted to see in the NHS reform Bill, and that is what we are delivering. My hon. Friend says that it is not the case that we have outcomes that are less than some parts of Europe; I am afraid it is the case. In some cases we could be doing a lot better. To argue just that the NHS simply needs money and not reform, I do not believe is right.

Q5. [90165] **Catherine McKinnell** (Newcastle upon Tyne North) (Lab): In the north-east, unemployment among women is rising at twice the rate as that among men. Where does the Prime Minister think a woman's place is: in the home, in the workplace or in the jobcentre?

The Prime Minister: I want many more women to have the opportunity to be in the workplace. What we have seen in the figures is this. Of course there is a disappointing increase in unemployment among women, but if we look since the election, there are 59,000 more women in work today than at the time of the last election. However, I am not satisfied with that. That is why we are boosting child care for two-year-olds, three-year-olds and four-year-olds to help women into work. We are introducing, through universal credit, support with child care for all women who work, not just those who work over 16 hours. Lifting more than 1 million people out of tax, the majority of whom are women, obviously also helps women into the work force. That is what I want to see.

Q6. [90166] **Karen Lumley** (Redditch) (Con): Last week I met a couple in Redditch who were appalled that a family in their area were getting more on benefits than they were earning working full time. Does the Prime Minister think that is right or fair?

The Prime Minister: My hon. Friend makes an important point. Let me say this about the benefit cap. We owe it to people who work hard, do the right thing and pay their taxes to make sure there are some limits on welfare. What we are saying with the benefit cap is that a family can get up to £26,000 in benefit. You would have to earn £35,000 in order to achieve that standard of living, so I believe that the benefit is fair, and that is why we are going to introduce one.

Mr David Winnick (Walsall North) (Lab): Does the Prime Minister feel any shame at all that some of the most vulnerable people in our society—certainly cancer and heart patients—will undoubtedly be financially penalised as a result of the measures going through the Lords? Is it any wonder that people say that it is the same old Tories and that the Tories are the nasty party?

The Prime Minister: I do not accept what the hon. Gentleman says. The whole point about employment and support allowance is that there are two groups. There are those who cannot work who need help, in the support group. Many people will go straight into that group and will be able to receive that benefit for as long as they need it. If he looks at what we have said, and looks at the report by Professor Harrington, he will see that there are going to be more cancer sufferers getting benefits and, actually, fewer people facing the face-to-face interview. He shakes his head; he should look at the evidence before asking the question.

Q7. [90167] **Tessa Munt** (Wells) (LD): I was shocked to discover that mainstream terrestrial television carries adverts for online bingo at 5 o'clock in the afternoon and that 31 hours and 55 minutes each week is dedicated to live casino betting and gaming, which has been classified as teleshopping since 2009. At a time when there is £1.45 trillion of personal debt in this country and when we are encouraging people to be moderate in their expectations and behaviour, will the Prime Minister please protect consumers, children and the vulnerable from this kind of activity by asking for a review by Ofcom—

Mr Speaker: Order. The question was too long.

The Prime Minister: The hon. Lady raises an important issue about gambling advertisement on television. I am all in favour of deregulation and trying to allow businesses to get on and succeed. Gambling programmes and betting advertising were not permitted until the last Government allowed them in 2007 and they are strictly regulated by Ofcom and the Advertising Standards Authority. It is not just a question of regulation, as it is also a question of responsibility by the companies concerned. Anyone who enjoys watching a football match will see quite aggressive advertisements on the television, and I think companies have to ask themselves whether they are behaving responsibly when they do that.

Meg Hillier (Hackney South and Shoreditch) (Lab/Co-op): On the subject of gambling, Hackney has 90 bookies—three times the national average. Will the Prime Minister listen to the debate that took place yesterday and take action this Friday and instruct his Ministers to support the private Member's Bill that will be before the House and will give local authorities more planning powers over bookies?

The Prime Minister: I will certainly look at the debate the hon. Lady mentions and the ideas expressed in it. We are all for localism and giving local authorities greater powers in these sorts of regards. I will look at the suggestion she makes.

Q8. [90168] **Andrew Rosindell** (Romford) (Con): Does the Prime Minister agree with me that in this the 30-year anniversary of the Falklands war the actions of the Argentine Government are wholly deplorable? Will he remind Argentina that it lost the Falklands war and that it is up to the Falklanders to determine their own future?

The Prime Minister: First of all, it is very important that we commemorate the Falklands war this year—the 30th anniversary—and remember all those who served

and fought so hard and some who gave their lives and did not come home. We should remember all those people this year. The absolutely vital point is that we are clear that the future of the Falkland islands is a matter for the people themselves. As long as they want to remain part of the United Kingdom and be British, they should be able to do so. That is absolutely key. I am determined to make sure that our defences and everything else are in order, which is why the National Security Council discussed the issue yesterday. The key point is that we support the Falkland islanders' right to self-determination. I would argue that what the Argentinians have said recently is far more like colonialism, as these people want to remain British and the Argentinians want them to do something else.

Q9. [90169] **Nick Smith** (Blaenau Gwent) (Lab): Blaenau Gwent has seen a rise in unemployment today to more than 3,000—a 16% increase in the past year. When does the Prime Minister expect unemployment to start falling?

The Prime Minister: The forecast is set out by the Office for Budget Responsibility and it is for it to make the forecasts—and it expects unemployment to be lower at the end of this Parliament than at the start, and employment to be higher. The Government's job is to try to do everything they can to help the hon. Gentleman's constituents into work—via the Work programme, the youth contract, the apprenticeship schemes and work experience, but above all, by keeping interest rates low, so our economy can grow and we do not fall into the mistakes that others in Europe have.

European Working Time Directive

Q10. [90170] **Charlotte Leslie** (Bristol North West) (Con): What recent assessment he has made of the effect of the European working time directive on (a) doctors' training and (b) patient care within the NHS.

The Prime Minister: My hon. Friend raises an important issue about the working time directive and its effect on the NHS. Nobody wants to go back to the time when junior doctors were working 80 or 90 hours a week, but I think we all see in our constituencies that the working time directive has sometimes had a bad effect on the NHS, particularly on training programmes for junior doctors. That is why the Government are discussing this issue with the Royal Colleges and others to make sure that we can have flexibility in this vital area.

Charlotte Leslie: I thank the Prime Minister for his answer. Does he share the widespread concern coming largely from the medical professions themselves that while we wait for lengthy EU processes to reconsider the directive across Europe—and it has not even been decided what it is that they are going to discuss—we are seeing a critical undermining of junior doctors, as they often say themselves, an erosion of the future professionalism of the NHS and, dare I say it, we are putting patient care and patient lives at risk? What steps can the Prime Minister take to ensure that we sort this out quickly?

The Prime Minister: I think my hon. Friend is right. Frankly, this has nothing to do with the single market; it is to do with how we run our health service. In particular, as I have said, it affects our training programmes for junior doctors, often in rural areas where we do not have such large hospitals. What can we do to sort this out? The Health and Business Secretaries are committed to revising the directive at EU level to give the NHS the flexibility it needs to deliver the best and safest service to patients. We will work urgently to bring that about.

Mr Denis MacShane (Rotherham) (Lab): Is the Prime Minister aware that, since I have been an MP, every single medical problem at a hospital in my constituency is related to weekend working by exhausted junior doctors. Far from being a problem, the directive is a solution: we have had far too many exhausted doctors in charge of patients.

The Prime Minister: I do not doubt—in fact, I do doubt what the right hon. Gentleman says. I cannot believe that every problem in his hospital is down to this one issue. All I can say is that the local hospital that serves my constituents in Chipping Norton was threatened with massive downgrading partly because, under the working time directive, it could not supply the training modules for junior doctors. That seemed a classic example of the cart being put in front of the horse. We ought to determine what hospitals we want, and then think about the training modules, but the EU working time directive was getting in the way.

Engagements

Q11. [90171] **David Rutley** (Macclesfield) (Con): I welcome this week's announcement of closer co-operation between financial centres in Hong Kong and London, which will help to make the City a hub for the Chinese renminbi currency market. Does the Prime Minister agree that that helps to highlight the opportunities for trade in Asia and the importance of promoting this country's commitment to free trade, and shows that this country is open for business?

The Prime Minister: My hon. Friend makes a vital point. Clearly, the markets in Europe are going to be difficult: 50% of our exports go to the EU, and we are seeing a freezing effect across the European Union. The rest of the world economy, however, is growing, and we need to get out there and sell to those markets. I am pleased to say that exports to China were up by 20% last year. The arrangement that my right hon. Friend the Chancellor has come to, which will make London one of the great renminbi trading centres, is an important breakthrough, but we need many more like that.

Q12. [90172] **Jim Sheridan** (Paisley and Renfrewshire North) (Lab): Will the Prime Minister clarify the position of the coalition Government on inheritance tax? My constituency recently received correspondence from the junior partner in the coalition Government, stating:

"If the Tories were governing alone, they would be cutting inheritance tax for millionaires and they would pay for it by reducing public spending even more."

Is that true?

The Prime Minister: The position on inheritance tax is covered in the coalition agreement.

Q13. [90173] **Richard Graham** (Gloucester) (Con): Last week, on the Syrian border, I met Syrian army deserters who had refused to kill their fellow citizens, and a small child wounded by that regime. If things there are to get better, not worse, the world must stop selling arms to Syria. What evidence does the Prime Minister have of countries shipping arms to that regime?

The Prime Minister: My hon. Friend makes an extremely important point. Britain needs to lead the way in making sure that we tighten the sanctions, travel bans and asset freezes on Syria. On who is helping the Syrian Government to oppress their people, there is growing evidence that Iran is providing a huge amount of support. Some shipment interceptions by Turkey are particularly interesting in that regard. People should also know that Hezbollah is also an organisation that is standing up and supporting the wretched tyrant who is killing so many of his own people.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): The Prime Minister will no doubt be aware of a report from international aid agencies this morning saying how the crisis in the horn of Africa was made worse by the delay in the international community responding. It warned that a similar crisis is threatening in west Africa. What will the Government do to try to ensure a speedier international response?

The Prime Minister: The hon. Gentleman raises an important point, and I will study the report carefully. My understanding is that the British aid effort was swift at getting aid into the horn of Africa and was leading the pack, both in the extent—the money committed—and speed of the response. Clearly, the horn of Africa is a very difficult place to deliver aid to, not least because of the control al-Shabaab—in effect, a terrorist organisation—has in large parts of Somalia. I will look carefully at what he says about west Africa, and I will ensure that we learn any available lessons.

Q14. [90174] **Gavin Barwell** (Croydon Central) (Con): On 26 October, I raised the case of my constituent, 14-year-old Lillian Groves, who was killed outside her home by a driver under the influence of drugs. The Prime Minister kindly met her family to talk about the case, which I believe has support across the House, for changing the law to deal with the menace of drug-driving. Will my right hon. Friend update the House on progress?

The Prime Minister: I pay tribute to my hon. Friend's work on this issue. It is important that we take seriously the issue of drug-driving. As he knows, we are committed to making the drug-testing equipment available for use in police stations as soon as possible. The case that he is making, which is that we need an equivalent law to that for drink-driving, has great strength. The Government are examining that case closely. Clearly, we need to look at whether there will be an opportunity in the second legislative Session to take forward the measure, which I know he will be campaigning for hard.

Paul Goggins (Wythenshawe and Sale East) (Lab): Does the Prime Minister share my concern at yesterday's ruling by the European Court of Human Rights that Abu Qatada cannot be deported? If so, will the right hon. Gentleman agree to initiate all-party discussions focused not on rhetoric about ripping up the Human Rights Act but on how, in practice, the Court could operate more proportionately, so that rights are respected but the safety of the public is always paramount?

The Prime Minister: I agree wholeheartedly with what the right hon. Gentleman has said. I think that the judgment is difficult to understand, because British Governments—both the present Government and the one in which the right hon. Gentleman served—have gone to huge efforts to establish a "deportation with assurances" agreement with Jordan to ensure that people are not mistreated. In this case, the European Court of Human Rights found that Abu Qatada was not going to be tortured but was worried about the process of the court case in Jordan. It is immensely frustrating.

I think that a country such as Britain, which has such a long tradition of human rights, should be able to deport people who mean us harm. That principle is vitally important, and we are not just going to have strong rhetoric about it. I am going to Strasbourg next week to argue that as we are chairing the Council of Europe, this is a good time to make reforms to the ECHR and ensure that it acts in a more proportionate way.

Q15. [90175] **Mr Aidan Burley** (Cannock Chase) (Con): On 26 March 2010, a two-and-a-half-year-old boy named Jobe Felton was kidnapped from his home in Cannock Chase and taken to Thailand by his mother. Six months later, his father finally tracked him down in a remote village. He found that his son could not speak, had had his teeth broken, and had bruises all over his body. He believes that had he not got him back then, Jobe would have been sold. Each year in the United Kingdom, more than 500 children are kidnapped in similar circumstances. Will the Prime Minister meet me and Jobe's father, Sean Felton—who has set up a charity called Abducted Angels, and who is in the Gallery today—to discuss what the Government can do to help parents of abducted children like Jobe?

The Prime Minister: My hon. Friend is absolutely right to raise that case. It is a simply appalling case, and any parent cannot help being chilled to the bone about what happened to that poor boy.

I think it is vital for us to put in place the best possible arrangements. As my hon. Friend knows, the Child Exploitation and Online Protection Centre is to be part of the National Crime Agency. I very much hope that we shall be able to legislate for the agency and ensure that it is properly resourced, because—as my hon. Friend says—it is vitally important that when these appalling acts happen, we get on top of them right away. Early effort is absolutely vital to saving these children.

Mr Dennis Skinner (Bolsover) (Lab): When does the Prime Minister expect to be cross-examined by the Leveson inquiry? Does he not agree that the British people deserve an answer to the question of why he appointed one of Murdoch's top lieutenants, Andy Coulson, to the heart of the British Government?

The Prime Minister: I shall be delighted to appear before the Leveson inquiry whenever I am invited, and I am sure that other politicians will have exactly the same view. I shall answer all the questions when that happens.

It is good to see the hon. Gentleman on such good form. I often say to my children, "There is no need to go to the National History museum to see a dinosaur; come to the House of Commons at about half past twelve."

Several hon. Members *rose—*

Mr Speaker: Order. We now come to the statement by the Lord Chancellor and Secretary of State for Justice, Mr Secretary Clarke. Before the right hon. and learned Gentleman begins his statement, I appeal to Members who, unaccountably, are leaving the Chamber—who, for some reason, do not wish or are not available to hear the right hon. and learned Gentleman—to do so quickly and quietly, so that the rest of us can listen to the statement.

Detainee Inquiry

12.34 pm

The Lord Chancellor and Secretary of State for Justice (Mr Kenneth Clarke): With permission, Mr Speaker, I wish to make a statement.

This Government stand firmly against torture and cruel, inhuman and degrading treatment or punishment. We do not condone it, nor do we ask others to do it on our behalf. In July 2010, the Prime Minister announced a package of measures to this House designed to deal with allegations about British involvement in the mistreatment of detainees held by other states overseas. As he told the House then, those allegations are not proven, but their consequences are serious. In his words:

> "Our reputation as a country that believes in human rights, justice, fairness and the rule of law—indeed, much of what the services exist to protect—risks being tarnished. Public confidence is being eroded, with people doubting the ability of our services to protect us and questioning the rules under which they operate."—[*Official Report*, 6 July 2010; Vol. 513, c. 175.]

No one should be in any doubt about the vital nature of the work that our security and intelligence agencies perform on our behalf or the debt that they are owed by all of us. Without public recognition, the men and women of the services take the gravest personal risks to protect the security of our country. So in his statement 18 months ago the Prime Minister set out a package of measures designed to ensure not just that we can get to the bottom of allegations of mistreatment, but that we learn any lessons, improve the framework for litigation where sensitive material is involved, and enable our security and intelligence services to get on with their vital job.

Since July 2010 the Government have taken a number of steps to fulfil this commitment. We have published for the first time the consolidated guidance for intelligence officers and service personnel on dealing with foreign liaison services regarding detainees held in their custody, to make clear the basis on which our security and intelligence services operate. We have also secured a mediated settlement of the Guantanamo Bay civil damages cases, about which I made a statement to this House on 16 November 2010. I also made a statement to this House on 19 October 2011 on the publication of the Government's Green Paper on justice and security, which aims to improve our courts' ability to handle intelligence and other sensitive material and to strengthen the parliamentary and independent bodies that oversee the security and intelligence services. We will set out our response to the consultation on the Green Paper in due course.

We also established an inquiry under Sir Peter Gibson to examine whether, and if so to what extent, the British Government and their intelligence agencies were involved in the improper treatment of detainees held by other countries in counter-terrorism operations overseas, or were aware of improper treatment of detainees in operations in which the United Kingdom was involved. Since then, the Gibson inquiry has been in a preparatory phase, with the panel focusing on a review of key underlying material. The inquiry has had the full co-operation of Departments and agencies during its preparations and has received a large volume of material in response to its requests for information, which it is in the process of considering. We have always been clear, however, that the detainee inquiry would not be able to start formally until all related police investigations had been concluded.

Last week, the Director of Public Prosecutions and the Metropolitan Police Service made a joint statement that they would not charge any named individuals in the Security Service and Secret Intelligence Service in relation to the investigations in Operations Hinton and Iden. However, they also announced that allegations made in two specific cases concerning the alleged rendition of named individuals to Libya and their alleged ill-treatment there were so serious that it was in the public interest for them to be investigated now rather than at the conclusion of the Gibson detainee inquiry. I made a written ministerial statement on Monday this week explaining that the Government were considering the implications for the detainee inquiry of these new police investigations.

The Government will continue to co-operate fully with the police and the Crown Prosecution Service in their investigations, and we remain committed to drawing a line under these issues. As part of this process, the agencies will continue to review their records, and we will ensure that this process is thorough and comprehensive. We and the agencies are absolutely clear that where there are any questions about knowledge of improper treatment of detainees, they must be fully examined and, where necessary, investigated. Looking to the future, we will carefully review the responses to the Green Paper about the oversight of the agencies.

However, these further police investigations into the Libyan allegations may take some considerable time to conclude. The Government fully intend to hold a judge-led inquiry into these issues, once it is possible to do so and all related police investigations have been concluded. But there now appears no prospect of the Gibson inquiry being able to start in the foreseeable future. So, following consultation with Sir Peter Gibson, the chair of the inquiry, we have decided to bring the work of his inquiry to a conclusion. We have agreed with Sir Peter that the inquiry should provide the Government with a report on its preparatory work to date, highlighting particular themes or issues which might be the subject of further examination. The Government are clear that as much of this report as possible will be made public. We will continue to keep Parliament fully informed of progress. The Government fully intend to hold an independent, judge-led inquiry, once all police investigations have concluded, to establish the full facts and draw a line under these issues. Meanwhile, however, the police inquiries that have now commenced must obviously continue. I commend this statement to the House.

12.41 pm

Sadiq Khan (Tooting) (Lab): I thank the Secretary of State for advance sight of his statement. The whole House unequivocally condemns torture, and inhumane, cruel and degrading forms of punishment. We must not condone it or ask others to do so on our behalf. One of the marks of a civilised society is that we will do everything in our power to champion human rights, both at home and abroad, and that we will properly investigate, prosecute and punish those alleged to have committed such crimes in this country or on behalf of this country elsewhere across the globe. So, allegations that members of our security and intelligence services may be involved in the improper treatment of detainees

held by other countries, with acts that contravene these basic levels of human decency that we hold so dear as a nation, need proper and full investigation.

The investigations in Operations Hinton and Iden relate to serious and highly sensitive matters involving, as they do, allegations about members of the Security Service and the Secret Intelligence Service. Operation Hinton followed a referral from the former Attorney-General, my right hon. and learned Friend Baroness Scotland, in November 2008 and Operation Iden followed a referral, also by the former Attorney-General, in June 2009. These independent investigations concluded on 12 January this year, as has been said, with a decision not to charge any named individuals in relation to the investigations in Operations Hinton and Iden.

Our security and intelligence agencies perform vital work on our behalf and we owe them a debt. Without public recognition, the men and women of these services take the gravest personal risks to protect the security of our country. But it is clearly right that, in the light of the further, specific allegations of ill-treatment made recently, the Metropolitan Police Service and the Crown Prosecution Service investigate these thoroughly. Although it was also right that the inquiry led by Sir Peter Gibson was put on hold while investigations into criminal proceedings were ongoing, I would ask the Justice Secretary why he has decided not to have a further hold in Sir Peter Gibson's inquiry while these further investigations are carried out. It is also important that the pause is used as an opportunity to ensure that the former detainees and the human rights and campaign groups who chose not to engage in the Sir Peter Gibson inquiry are brought back into the fold.

May I ask the Justice Secretary what his views are on the representations made by those acting on behalf of the detainees, non-governmental organisations and others that an inquiry conducted with the current terms of reference and protocol does not comply with articles 3 and 6 of the European convention on human rights? It is clearly important that any inquiry has legitimacy, and I invite the Justice Secretary to use the period while the allegations are being investigated by the police to work with ourselves, NGOs and other experts to ensure that the new inquiry has as much legitimacy as is possible. I also ask the Secretary of State when and how he intends the work of Sir Peter Gibson, or as much as is realistically possible, to be published.

The key point is that we must get to the bottom of what happened. We are firmly of the view that there must be an independent inquiry as the quicker these questions are answered, the quicker we will be able to draw a line under these issues.

Mr Clarke: I am grateful to the right hon. Gentleman for his broad support for the aims we are pursuing. I agree with everything he said about the security services and I think we owe it to them, as well as to the reputation of this country, to draw a line under these matters as quickly as possible, which involves investigating them all properly and making the position clear as well as considering matters such as the supervision of the services in future.

The right hon. Gentleman asked why we did not have just another pause in the Gibson inquiry, as we were previously just waiting for the outcome of the police inquiries into the Guantanamo Bay cases. With great respect, it is not even fair to the team to keep things going on in that way. I had hoped to be able to come to the House and say, if anyone asked me, that the Gibson inquiry was now under way, that it was starting its proceedings and that all was going smoothly. We now have to wait for an as yet unknown period of time while the Libyan investigations are carried out and while we see where they go. The Metropolitan police took three years to look into the Guantanamo Bay cases and I think everybody is anxious that we should be quicker than that as we look at the Libyan cases, but we have no idea how long it will take.

Sir Peter and his colleagues have done some work and the sensible thing is to publish the outcome of their preparatory work now, wait to see what happens to the investigations and to set up an independent judge-led inquiry as soon as it is feasible, which might require a fresh team of people to carry it out. We have the terms of reference for Gibson because we think the Gibson inquiry itself should not take too long and I have discussed the terms of reference with NGOs, representatives of former detainees and so on. I will quite happily continue those conversations and I have been trying to persuade them that the Gibson inquiry meets their needs and that they should actively participate and engage in the process. I will continue that and I will listen to their views, too, about the nature of the inquiry. I can assure the right hon. Gentleman and those outside the House who have an interest that the Government will hold an independent judge-led inquiry. We are where we are, and the Gibson proposals are our proposals.

Sir Menzies Campbell (North East Fife) (LD): As a member of the Intelligence and Security Committee, may I endorse the observations made by my right hon. and learned Friend and by the shadow Justice Secretary about the contribution that the security services make to the security of the nation? When the Gibson inquiry was first conceived, the hope was expressed that it might complete its work within one year. As events have subsequently proved, that prognosis was rather optimistic. May I say to my right hon. and learned Friend that I think that he has inevitably had to bow to the changed circumstances and that his announcement today is entirely sensible and will preserve all the issues that would otherwise have been dealt with by the Gibson inquiry?

Mr Clarke: I am grateful to the right hon. and learned Gentleman. The point that lies behind the debate I have been having with NGOs and detainee representatives about the terms of reference is that our aim would be that the judge-led inquiry might conclude within a year. We do not want an inquiry that takes years and years and becomes too legalistic. We are still open to discussions about that, but the right hon. and learned Gentleman obviously shares my view that it would be much better if we were able to get things under way and hold this inquiry. I am grateful for his support for the inevitability of holding fire and getting Sir Peter to produce what he has done so far.

Mr Jack Straw (Blackburn) (Lab): Sir Peter Gibson is a retired senior judge of the highest integrity and skill and I am personally quite certain that had he had the opportunity to continue this inquiry, he and his colleagues on the panel would have been able to do a most thorough

[Mr Jack Straw]

job and would have gained the confidence of the NGOs and others in the course of that inquiry in exactly the same way as Sir William Macpherson, who was faced with a high degree of scepticism when he first began the Lawrence inquiry, was able to assuage the concerns of many of those involved in the course of the proceedings. May I also say to the right hon. and learned Gentleman that I believe that he is absolutely right to do what he has and that in practice he has had no alternative?

Mr Clarke: I am grateful for that view and for the right hon. Gentleman's support because I keep trying to assure people that there is no conspiracy here. The Government actually want these things to be properly investigated and want the full facts to be shared with the general public so far as they sensibly can be, consistent with the interests of national security.

Mr Andrew Tyrie (Chichester) (Con): It was widely held that the Gibson inquiry's approach to the investigation set out in the protocol and in the interpretation of the terms of reference was defective in a number of important respects. I have brought those to the attention of the Government already and have discussed them in correspondence with the Prime Minister, as my right hon. and learned Friend will know. In particular, there was no intention to cover detainee transfer in theatre and no intention to appoint an investigator or even to try to investigate all the cases of credible allegations brought forward. Will my right hon. and learned Friend undertake to review fully all these aspects of the Gibson inquiry's proposed work so that we can rectify these defects when an inquiry reconvenes?

Mr Clarke: I will continue the conversations I have been having with my hon. Friend and others about the basis on which the Gibson inquiry is proceeding. I have been trying to persuade people to be more co-operative with the Gibson inquiry, but I am also quite happy to listen to points that people make to me about why they have reservations. The Government wanted to proceed with the Gibson inquiry on the present terms of reference and would have done so if we had not had this final delay. We have more time to consider the matter, although we did not want more time, and I am happy to discuss these matters with my hon. Friend and others again.

Hazel Blears (Salford and Eccles) (Lab): Our intelligence agencies do a hugely important job for this country, but it is essential that they operate and are seen to operate within the highest standards of human rights ethics and a proper legal framework. Does the Secretary of State agree that it is essential in the current circumstances to take forward his proposals in the Green Paper on justice and security to strengthen the role of the Intelligence and Security Committee so that we can have the legal powers and the necessary resources to be able to scrutinise fully the work of our intelligence agencies?

Mr Clarke: I assure the right hon. Lady that there is no delay to that aspect of our policy. We will shortly be responding to the consultations on our Green Paper, the first of which concerned the basis on which courts and other proceedings can handle intelligence material in a way that improves their ability to try cases without jeopardising national security. The second concerned the important matter that she raises of the supervision by this House and elsewhere of the security services.

Mr James Clappison (Hertsmere) (Con): I welcome my right hon. and learned Friend's approach to this matter. Does it remain his hope that at the end of this process we can avoid the situation that arose in the previous Parliament when my hon. Friend the Member for Chichester (Mr Tyrie) and others were reassured over and again on the Floor of the House that there was no United Kingdom involvement in any respect with any extraordinary rendition, which subsequently turned out not to be the case?

Mr Clarke: Like my hon. Friend, I was a member of the all-party group on extraordinary rendition being led by my hon. Friend the Member for Chichester (Mr Tyrie), so I was as anxious to see the outcome of the police and other inquiries as everybody else. The whole point is to dispel all this because we must have an effective national security system and effective agencies. People who work in those agencies do very brave work that is essential to this country. We must draw a line under all this and investigate fully this legacy of allegations in order to find out exactly what happened and work out how to proceed and how to scrutinise the services in future.

Keith Vaz (Leicester East) (Lab): The Justice Secretary clearly has the support of both sides of the House in the decision he has taken today. Could he clarify whether this was his decision or whether Sir Peter came to him and asked to be relinquished of his responsibilities in view of the fresh investigations? I know that the Justice Secretary cannot give us a timetable, but does he envisage this lasting for months or years?

Mr Clarke: It was discussed with Sir Peter Gibson and he agrees that this is the way to proceed. I did not personally have the conversation, but in the light of last week's inquiry it was decided that it was sensible to discuss this with Sir Peter and he agrees with the decision we have taken to proceed in this way. I wish I knew how long the Metropolitan police investigations will take. I hope that they will not take as long as the Guantanamo Bay cases, but there is absolutely no basis on which I can properly intervene with the police. We want these matters to be investigated thoroughly so we will wait and see.

Mr Robert Buckland (South Swindon) (Con): It looks increasingly clear that this is going to take years rather than months. Can my right hon. and learned Friend assure me that in the intervening time he will take particular care in defining the terms of reference on the Libyan dimension, which in my opinion is much wider than just rendition? What about, for example, the training of Libyan forces at the defence academy at Shrivenham? We need to narrow down the issues when it comes to Libya so that we can avoid the pitfalls that have beset the Gibson process thus far.

Mr Clarke: The intention was that the Gibson inquiry would cover that aspect of the Libyan allegations, particularly the two allegations of rendition, that fitted with the terms of reference the inquiry already had for the Guantanamo Bay cases, but a lot of issues have

been thrown up by the Libyan allegations and we will consider how best to handle them. Unfortunately, the Metropolitan police are bound to take months at least, I should have thought, so we have time to consider how best to handle these matters.

Dr William McCrea (South Antrim) (DUP): I wholeheartedly agree with the statement that the Justice Secretary has made today, but how can we ensure that the security and intelligence agents who do such sterling work on our behalf are protected against false allegations against them?

Mr Clarke: I have never been able to protect anybody against false allegations but the easiest way of handling such allegations is to investigate them quickly and dismiss them. I have no doubt that allegations that turn out to be false will be quickly dismissed by Sir Peter Gibson and I hope that any future inquiry will get rid of malicious or politically motivated allegations, to which people who work in this field are bound to be exposed. However, that is not a description of the things now being looked at. The questions being raised here are serious and this issue calls for some explanation. We want the Libyan cases to be investigated very thoroughly and we look forward to the police conclusion and the results of a judge-led inquiry on the whole matter.

Jane Ellison (Battersea) (Con): Last July, my right hon. and learned Friend confirmed to me at the time of his statement on the Gibson inquiry that he wanted Shaker Aamer, the last British resident detained in Guantanamo Bay, to be available to give evidence to it. Does not this pause give a fresh opportunity to press the case that he should be released and be available to give evidence to any new inquiry?

Mr Clarke: My hon. Friend is probably right. That is another good reason why we would like Shaker Aamer to be released and I will bring her remarks to the attention of my right hon. Friend the Foreign Secretary. We keep making representations and trying to get him released and brought back.

Chris Bryant (Rhondda) (Lab): When some of us were calling for a public inquiry led by a judge into phone hacking at the *News of the World*, we cited the Gibson inquiry as one that had been set up even while criminal investigations were ongoing, and the Secretary of State said that it was important that Gibson was able to secure whatever evidence there was that might in other cases be destroyed. I hope that he can still make that assertion today.

Mr Clarke: The agencies are reviewing their accessing of the necessary records, because these Libyan allegations emerged as a surprise. We are making sure, as far as one can, that this matter is reviewed and that we access such records as are available.

Tom Brake (Carshalton and Wallington) (LD): We must get to the bottom of the allegations of mistreatment as soon as possible. The credibility of the intelligence services depends on it. To that end, how soon after police investigations are concluded does the Secretary of State expect a successor detainee inquiry to be established? In the interim, is there an enhanced role for the independent reviewer of terrorism legislation that might require him to have a salary and an office outside the Home Office to review these matters independently and effectively?

Mr Clarke: We have not taken any decisions yet about the exact point at which we will start constituting a new judge-led inquiry or approaching a judge and people who might wish to serve on the inquiry. What we did this time was to set up the Gibson inquiry in the belief that we were about to start imminently—going into the full formal stage after a few months of preparation. Presumably, we will try to repeat that, but at this stage it is impossible to know when we will be in a position to do that. At the moment, we want to review the facts of these cases so I do not feel the need to create a new appointment to review the legislation in this area; indeed, I would argue, subject to what emerges, that the law in this area is reasonably clear. It is the facts that we hope to investigate, and then the application of the law to those facts.

Pete Wishart (Perth and North Perthshire) (SNP): Is not the real lesson of Gibson that important inquiries such as this cannot proceed properly without the full confidence of all interests and participants? What is the Justice Secretary doing to ensure that any future inquiries will have the full confidence of all human rights groups and all lawyers involved in such cases?

Mr Clarke: I have met a very wide range NGOs, human rights groups and those with an interest, and I have been trying to persuade them that the Gibson inquiry is something that they should get engaged with. I very much hope still to see them doing that. I am still having meetings about the Green Paper on security and justice and of course on the supervision of the security services. My right hon. Friend the Home Secretary was here earlier; we will continue to engage. I agree that it would be very much better if we could get the NGOs and others to accept that this is the way to proceed. We will continue to listen to their arguments about why they feel that they cannot, and we will do our best.

Rehman Chishti (Gillingham and Rainham) (Con): I welcome the Secretary of State's statement. Does he agree that under procedure there is no other way than to allow the Crown Prosecution Service to make those investigations before carrying on with the inquiry?

Mr Clarke: I am glad to hear that my hon. Friend believes that. I think that is right. The problem of letting the inquiry go ahead while the police are carrying out the investigations is obviously that one could hopelessly compromise the other. We cannot have witnesses giving evidence about events when the police are in the middle of inquiries into the self-same events. *[Interruption.]* Well, that was the basis upon which we started, and everybody accepted that Gibson could not start until the police investigations had finished. There are sensible reasons, as my hon. Friend says, why we are in that situation.

Yasmin Qureshi (Bolton South East) (Lab): Our country has a reputation around the world as one which protects human rights. When allegations of extraordinary rendition were made, it tarnished that image. I welcome the Lord

[Yasmin Qureshi]

Chancellor's inquiry into the whole issue and the support given by the shadow Secretary of State for Justice. I ask the Lord Chancellor to take on board the points that the shadow Secretary of State for Justice mentioned.

Mr Clarke: I am grateful to the hon. Lady. It is extremely important that we maintain this essentially cross-party approach to these matters and that the House gives its full support to our attempts to get to the bottom of these matters. As she says, it is in the interests of this country and of the Security Service that we do so.

Bob Stewart (Beckenham) (Con): For quite a long time, together with the security services and the police, I was responsible for detainees and for interviewing them. In all that time we took huge care to comply with instructions, particularly about human rights, when interviewing detainees. It is very difficult and sometimes dangerous work for the officers concerned. I hope—I know—the Secretary of State will agree that instances of poor practice are few and far between and are very sad indeed.

Mr Clarke: My hon. Friend speaks with much greater authority than I on the subject and puts forward an opinion with which I wholeheartedly agree. That is why it is in the interests of the vast majority of those brave men and women who serve in those services, often in very dangerous situations, that we tackle these allegations of malpractice. I am sure the allegations are against a tiny number of officers and it may be that they will turn out to be unfounded. The sooner we can clear this up and draw a line under it, the better.

Mr David Winnick (Walsall North) (Lab): Will the Justice Secretary accept that the allegation that British security officials handed over suspects to places abroad where they were tortured is a matter of great concern for Britain's reputation? I said "allegation", but in the case last week of the two Libyans, the letter which was found from the MI6 officer confirms that that was not merely an allegation. The two were sent over to Libya and were tortured. As we know, one of them, who holds a high position now in post-Gaddafi Libya, is accordingly bringing legal action against the UK Government.

Mr Clarke: Those are the serious allegations which need to be investigated and are being investigated by the police. On the principle of the matter, which the hon. Gentleman underlines, this Government are absolutely clear that we do not engage in torture, we do not condone torture, we do not get engaged in torture in any way, and we are not remotely going to get involved in the cruel and inhuman treatment of detainees in any way. The sooner we investigate the serious allegations that have emerged from Tripoli, the better.

Mark Durkan (Foyle) (SDLP): The Secretary of State said that in pursuit of the Libyan allegations "the agencies", which I presume are the security agencies, "will continue to review their records", and that the Government will ensure that the process is "thorough and comprehensive." Is there any room for independent oversight of that review by the agencies of their records and of any lack of records that might be identified? How exactly can he assure the House that that process will be thorough and comprehensive, as it seems that the subsequent police investigation will be entirely dependent upon it?

Mr Clarke: One must adopt a sensible approach to this. We did not expect the Libyan revelations to appear until they emerged from that office in Tripoli. For that reason a most thorough review of records is being undertaken and will continue. To bring in fresh people to review the review—one gets carried away. I have no reason to doubt that at present the most thorough review is taking place to make sure that we know where we are and we can put an end to the matter by having it properly and independently investigated, eventually by a judge-led inquiry.

Points of Order

1.6 pm

Ian Austin (Dudley North) (Lab): On a point of order, Mr Speaker. Is it in order for the hon. Member for South West Devon (Mr Streeter) to describe Dudley as ugly? Why should a place which boasts the UK's first national geological nature reserve, a fantastic castle, a beautiful town centre which traces its roots back to mediaeval Britain, and the award-winning Black Country living museum be sneered at by somebody like him? Should he not come to Dudley and see these gems for himself? Would you like to come to Dudley, Mr Speaker, so that you can see how wrong he was?

Mr Speaker: I am grateful to the hon. Gentleman not only for the content of his point of order, but for his courtesy in giving me advance notice of it. I remind him that a wise person said that there is no point in arguing about taste. Beauty is in the eye of the beholder, and I am sure Dudley is beautiful to its own Member of Parliament. That the hon. Gentleman is a doughty and articulate exponent of that perceived beauty is no surprise to me, as this year marks 30 years since he and I first made each other's acquaintance at the university of Essex. I am afraid that on the matter of the beauty or otherwise of Dudley, I have not yet had an opportunity to form my own judgment, but I appreciate the hon. Gentleman's prospective invitation and I would, of course, be inclined to accept it. I do not think expressions of aesthetic opinion fall within the rules of order unless those expressions of opinion concern another Member of the House.

Paul Flynn (Newport West) (Lab) *rose—*

Mr Speaker: I will come to the hon. Gentleman. I am saving him up. He is too precious. I do not want to waste him too early. I call Mr Chuka Umunna.

Mr Chuka Umunna (Streatham) (Lab): Thank you, Mr Speaker, and on a point of order. You will be aware that excessive pay and rewards for failure in the City and in boardrooms round the country are a matter of huge public interest. The Government have let it be known that they will announce what they plan to do about the issue on Tuesday next week. Our strong view is that the Business Secretary should do so in an oral statement to the House. He is giving a speech to the Social Market Foundation at 12.30 pm on Tuesday, before the House sits. Can you advise the House whether you have been given notice that he intends to come first to the House on Monday to give an oral statement on what the Government are to do about the matter, and whether you would expect him to do so?

Mr Speaker: I am grateful to the hon. Gentleman for that point of order, of the content of which I did not have advance notice. I would certainly expect that if a significant policy announcement is to be made, a statement in one form or another—there are different forms of statement, as the hon. Gentleman will be aware—would first be made to the House. I hope the hon. Gentleman will understand if I say that more widely than that I would be reluctant to go. I would want to observe how the Government conduct themselves and judge matters accordingly, but both the Leader of the House and the Deputy Leader of the House are aware of the premium that I attach not on my account, but on behalf of the House, to the House hearing and, preferably on very important matters, having the opportunity first to question Ministers. It is desirable that the House hears first, rather than audiences outside.

Paul Flynn (Newport West) (Lab): On a point of order, Mr. Speaker. One of the areas of parliamentary life—the manners of this Chamber—that has improved in recent years is that it is now completely unacceptable for one Member to criticise another Member on the basis of gender, race, ethnicity or disability. The most under-represented group in this Parliament is the septuagenarians. Today we heard what I believe many of us thought was a gratuitous and entirely offensive insult to a greatly respected hon. Member, made entirely because of his age. Is it not right that ageist discriminatory remarks should be outlawed in the same way that other discriminatory remarks are?

Mr Brian H. Donohoe (Central Ayrshire) (Lab): Further to that point of order, Mr. Speaker. Is it not also the case that "Erskine May" makes it very clear that no Member of Parliament should criticise another and call them a name that relates to an animal? In those circumstances, is it not only right that the Prime Minister should come back to the House and apologise to my hon. Friend the Member for Bolsover (Mr Skinner)?

Mr David Winnick (Walsall North) (Lab): Further to that point of order, Mr. Speaker. Is it not important that those of us of a certain age group should not be seen as the new persecuted minority?

Mark Pritchard (The Wrekin) (Con) *rose—*

Mr Speaker: Is it on the same matter? Gosh, a vintage quartet indeed, and a very high quality vintage.

Mark Pritchard: Further to that point of order, Mr. Speaker. You have seen the grey hairs as well—on my head, of course. I seek your guidance on whether this Parliament and this House of Commons would be better with more or less humour.

Mr Speaker: I am always in favour of humour, but just as beauty is in the eye of the beholder, humour is a matter of subjective judgment. Sometimes people are funny, sometimes they think they are funny, sometimes they think they are funny deliberately when they are not, sometimes they do not realise they are funny when they are. There are all sorts of different permutations. It would be unwise for me to offer a view as to the category into which the matter of current discussion happens to fall, but I have never had any doubt about the hon. Gentleman's well-developed and furnished sense of humour.

I agree with the hon. Member for Walsall North (Mr Winnick) that septuagenarians should not become a persecuted minority. The hon. Gentleman is sometimes in a minority, and a principled minority, on a range of matters, and has been throughout his long parliamentary career. All I would say is that I do not think that the hon. Gentleman himself is persecuted, certainly not by me, and anybody trying to persecute the hon. Gentleman should frankly give up the unequal struggle, because that person will not get anywhere with the hon. Gentleman.

[Mr Speaker]

With regard to the point of order from the hon. Member for Central Ayrshire (Mr Donohoe), I think that I am right in saying that "Erskine May" no longer contains the prohibition to which the hon. Gentleman refers. I think that, certainly at one time or another, there has been a prohibition on, or presumption against, reference to an existing animal.

With regard to the point of order of the hon. Member for Newport West (Paul Flynn), it is very difficult for me to interpret the mindset of another hon. or right hon. Member, be that a newly arrived Member, or a very senior Member, or the most senior Member of the Government. Sometimes an observation might be made with reference to perhaps a past attitude, style or conduct, and I do not think that I want to get into the issue of what was said today. I might want to reflect on it. All I would say is that I share the hon. Gentleman's absolute disapproval of sexism, racism, ageism and other forms of discrimination. The hon. Gentleman's track record on that matter speaks for itself over a very long period.

Keeping of Primates As Pets (Prohibition)

Motion for leave to bring in a Bill (Standing Order No. 23)

1.15 pm

Sheryll Murray (South East Cornwall) (Con): I beg to move,

That leave be given to bring in a Bill to prohibit the keeping of primates as pets in the United Kingdom and the breeding, sale and purchase of primates; to introduce breed-specific codes of practice for the keeping of primates in animal sanctuaries and for species conservation; and for connected purposes.

I present this Bill to the House today on behalf of those who cannot speak for themselves. I refer to non-human primates, most commonly referred to as monkeys. The Royal Society for the Prevention of Cruelty to Animals and Wild Futures estimate that between 2,500 and 7,500 primates are kept as pets in England, Wales and Scotland, but others suggest the number might be as high as 15,000 to 20,000. Owing to the lack of registered breeders and the unregulated nature of selling monkeys to private buyers, it is very difficult to come up with an exact figure. I will explain to the House how monkeys suffer by being kept as household pets, and why there is such a strong case for banning primates as pets.

More than 360 highly regarded primatologists and other respected professionals support the call for a restriction on primate keeping to genuine specialists, and only for the purposes of sanctuary or conservation. There are many countries that have already banned keeping primates as pets, including Israel, Mexico, Honduras, India, Brazil, the Netherlands, Belgium and Sweden. I will explain to the House why it is entirely necessary to follow the lead of these countries and introduce a ban on keeping primates as pets in the UK.

As some hon. Members may know, the Monkey Sanctuary in Looe is in the heart of my constituency of South East Cornwall, and some may even remember the tale of Donkey the monkey, whom I spoke about in another debate. I would like to report that he is keeping very well. It is telling that none of the monkeys re-homed at the Monkey Sanctuary was free of behavioural problems on arrival, and most showed multiple neuroses. Primates show evidence of self-awareness and intelligence, and have sophisticated cognitive capacities and complex patterns of behaviour. They also form intricate social relationships and are keen problem solvers. It is well known that non-human primate intelligence is on a par with that of humans.

However, the RSPCA has confirmed that 61% of incidents involved primates being housed alone. The effects of a lack of socialisation are profound. These include high levels of abnormal behaviours such as self-mutilation and difficulties socialising. Furthermore, cutting off the period in which young primates are dependent on their mothers is known to have long-lasting negative psychological and physiological effects. The Monkey Sanctuary informed me that common repetitive behaviours are classic in ex-pets. Examples include pacing, head twisting, teeth grinding, rocking and overeating. Primates also require a high level of specialist care to provide for their complex needs.

Commercially available primate foods do not account for specific dietary requirements. Inappropriate diet can increase susceptibility to diseases of human origin,

including respiratory, gastro-intestinal, skin and viral disorders. Primates have been found to have been fed seriously inappropriate items, such as coffee, tobacco and marijuana.

Furthermore, RSPCA records show that over a quarter of cages were judged to be ridiculously small—in some instances, monkeys were found housed in parrot cages. For those who do not think that it could get worse for those monkeys, here is another fact: they are mostly kept indoors. That leads to a lack of sunlight, which means that the necessary vitamin D levels are rarely met. Bone disease in primates kept as pets is a recurrent problem.

Let me tell the story of Joey, a capuchin monkey who is now residing at the Monkey Sanctuary in Looe—Members who wish to see a photo of Joey can see me after the debate. He was kept in a small cage in a London apartment for nine years. A lack of natural light and proper diet led to nutritional bone disease. He has extensive bone deformation, including bowed limb bones and poor bone density. He cannot climb or eat easily and is permanently disabled. He also displays the stereotypical rocking behaviour that is classic for ex-pets. His owner was away most of the time and, other than a friend who spent about an hour with him every day, Joey had no social companionship. It appears that the local council granted a licence for Joey under the Dangerous Wild Animals Act 1976 for at least the first year, but at some point it was not renewed and the council never followed up the case. That means that the council seems to approve of the conditions in which Joey was kept, conditions that led to serious physical deformities and behavioural abnormalities.

Another case only last month concerned a ring-tailed lemur found on Tooting common. He had collapsed in sub-zero temperatures and was diagnosed with hypothermia, severe dehydration and shock. Named King Julien by the staff at the Blue Cross animal hospital in Victoria, he was cold, scared and did not want to eat. Happily, the lemur is now on the road to recovery and strong enough to leave the charity's care. He has been transferred to Specialist Wildlife Services. I would like to thank those at the Blue Cross hospital for everything they did for King Julien and for doing all they can to re-accommodate him in a suitable environment.

Another recent case did not have such a happy ending. A west-midlands couple who owned a crippled baby marmoset monkey sold him in a fish and chip shop car park for £650 in June, rather than take him to a vet. An RSPCA primatologist said that Mikey had advanced bone disease and seven fractures. His tail, which is used for balancing, was broken. His injuries were deemed so severe that he had to be put down. The couple were convicted of animal cruelty and banned from keeping pets for life.

I argue that the Animal Welfare Act 2006 has not been an effective tool in protecting primates that are kept as household pets. The Act states that local authorities are meant to inspect the primate's living conditions and assess whether it has a safe environment. Monkeys are let down by the fact that many local authorities lack primate expertise. They do not have the working knowledge required to assess correctly whether a primate is in a healthy environment. This leads to cases such as that of Joey, who ended up being re-homed at the Monkey Sanctuary but with severe physical and psychological problems, and monkeys like Mikey inevitably having to be put down.

The RSPCA has also confirmed that, proportionately, complaints reported to it were four to 12 times more frequent for primates than for typical pet species. I cannot fault the premise of the 2006 Act, but evidently it is not accomplishing what it set out to do, which is to protect these animals. The only effective means of adequately safeguarding pet primate welfare is banning the keeping of primates as pets. I therefore urge all hon. Members to support the Bill, which would free these monkeys who cannot help themselves.

Question put and agreed to.

Ordered,

That Sheryll Murray, Oliver Colvile, Zac Goldsmith, Bob Stewart, Mark Pritchard, Caroline Nokes, Stephen Gilbert, Katy Clark, Mark Lazarowicz, Neil Parish, Peter Aldous and Joan Walley present the Bill.

Sheryll Murray accordingly presented the Bill.

Bill read the First time; to be read a Second time on Friday 30 March, and to be printed (Bill 273).

Local Government Finance Bill

[1ST ALLOCATED DAY]

Considered in Committee

[MR LINDSAY HOYLE *in the Chair*]

Clause 1

LOCAL RETENTION OF NON-DOMESTIC RATES

1.26 pm

Helen Jones (Warrington North) (Lab): I beg to move amendment 20, page 2, line 13, leave out '2013' and insert '2014'.

The Chairman of Ways and Means (Mr Lindsay Hoyle): With this it will be convenient to discuss the following: amendment 21, in clause 2, page 2, line 19, leave out '2013' and insert '2014'.

Amendment 22, in clause 3, page 3, line 21, leave out '2013' and insert '2014'.

Amendment 23, in clause 4, page 3, line 35, leave out '2013' and insert '2014'.

Amendment 24, in clause 5, page 4, line 5, leave out '2013' and insert '2014'.

Amendment 25, in clause 6, page 4, line 22, leave out '2013' and insert '2014'.

Helen Jones: We have tabled these amendments because we are concerned about the way the Bill is being rushed through the House and, should it be enacted, the short time allowed for its implementation. Understandably, the Bill deals with difficult questions. It is not easy when dealing with local government finance to resolve exactly where the line should be drawn between central and local government, how far services should be uniform and how far we are prepared to tolerate variations in them. I accept that the Government carried out a consultation before bringing in the Bill, but the problem is that the Bill seems to reflect little of that consultation.

In addition, the Bill is being taken through the House at a break-neck pace. It was published on 19 December, just before the Christmas recess, and had its Second Reading on 10 January, which was the first day the House returned and only two sitting days later. Instead of sending the Bill upstairs to Committee, where we could have taken evidence, which we cannot do on the Floor of the House—that is the important thing about Public Bill Committees—the Government insisted that the Bill should be considered in Committee of the whole House in three days, and I think that it was originally meant to be two days.

Why are the Government so worried about taking evidence upstairs in Committee? They might be a little worried about what they could hear, because the truth is that local councils, having started to look at the Bill in detail, are particularly concerned about the speed of implementation for its provisions and are struck by the number of powers being given to the Secretary of State.

Mr Kevan Jones (North Durham) (Lab): Does my hon. Friend agree that another possible motive for considering the Bill on the Floor of the House is the coalition Government's botched programming of business for this Session and the fact that, were it not being considered here, there would be little to be heard in the Chamber?

Helen Jones: My hon. Friend makes an extremely good point, which I will come to in a moment.

If the Bill comes into force, one extremely complex system will be removed and replaced with another extremely complex system, without time for local authorities to prepare for it.

John Healey (Wentworth and Dearne) (Lab): Before my hon. Friend moves on from the question of evidence, I do not want her to overlook the value of such evidence. Does she agree that democracy works better when a wide range of organisations has an opportunity to contribute effectively to our discussions? Evidence sessions in a Public Bill Committee give organisations that represent people with a wide range of interests the chance to assess, analyse and propose amendments to improve legislation. That stage will be sorely missed because of the way in which the Government are handling the Bill.

Helen Jones: I could not agree more with my right hon. Friend. Since I have entered this House, I have learned that the best way to improve legislation is to scrutinise it effectively and listen to those who will have to deal with it when it comes in. If the Government chose to take evidence, they would have ample opportunity to table amendments to the Bill in Committee or on Report.

Mr Robert Syms (Poole) (Con): There are 650 Members of Parliament, many of whom are former councillors. There is a good body of experts in this Chamber. I welcome what the Government are doing. It allows people to have their say.

Helen Jones: I am grateful to the hon. Gentleman for that point. Although he is correct in saying that many of us have been local councillors, I point out to him, with all due deference because this applies to me as well, that many of us were local councillors some time ago and that the system of local government has altered in the time since. It would be beneficial for the House to hear from those who are running local councils now. I sincerely regret that we have not had time to do so.

Graham Stringer (Blackley and Broughton) (Lab): My hon. Friend is making an important point. I have always found local government slightly more complicated than quantum mechanics.

John McDonnell (Hayes and Harlington) (Lab): Only slightly?

Graham Stringer: Well, a lot more complicated. Does my hon. Friend the Member for Warrington North (Helen Jones) agree that the last time a Conservative Government had a major reorganisation of local government finance, they ended up putting VAT up for ever and costing the country £20 billion per year?

Helen Jones: My hon. Friend, who is a distinguished former leader of a local authority, makes a valid point. I agree with him on one thing: local government finance

is exceedingly complicated. For that reason, it might well have been useful to hear in Committee from people such as finance officers in local authorities who will have to deal with this procedure from day to day. They might well have been able to suggest technical amendments that would have been beneficial to the Committee and which, if we are honest, are beyond the expertise of most hon. Members.

George Hollingbery (Meon Valley) (Con): Will the hon. Lady remind the Committee how many months of extensive consultation the proposals for the Bill have gone through before this stage and how many changes to the scheme were proposed and then adopted?

Helen Jones: The hon. Gentleman should recognise that it is not much use having a consultation unless it informs the legislation. *[Interruption.]* Local authorities say that it has not. A second process, which many Members have found useful, is to allow people to give evidence on the exact wording and form of the Bill once it has been published. I believe that if we are serious about the legislation that we introduce in this House, it is right and proper to give people the opportunity to do that. People have not had time to do so with this Bill because we are not having evidence sessions in Committee. The House introduced such evidence sessions because it was believed that they would improve legislation. It is a pity that the Government have decided to miss them out.

Several hon. Members *rose—*

Helen Jones: I am inundated. I will give way to my right hon. Friend the Member for Greenwich and Woolwich (Mr Raynsford).

Mr Nick Raynsford (Greenwich and Woolwich) (Lab): Is it not very clear to my hon. Friend and to Government Members that there is something slightly odd about a Bill that is supposed to give benefits to local government arousing considerable anxiety and concern in local government, as we have seen in the briefings that we have received? Is that not clear evidence of the need for further thought and attention to the detail to ensure that we do not end up with a disaster that is problematic for local government, rather than a measure that gives greater discretion and benefits to local government?

Helen Jones: My right hon. Friend makes a very good point. In delivering local services, we are meant to be partners with local government. It is right and proper that the House has an opportunity to take on board the views of local government on the legislation.

As my right hon. Friend is a London Member, perhaps I may read out what London Councils says:

> "The retention scheme as written is extremely complex and does not, in our view, incorporate adequate reward and incentive for local authorities. London Councils believes that the Government needs to urgently rethink the business rate retention scheme that it has set out in the Bill."

If we had had a proper Committee stage upstairs, we could have taken evidence on that matter, considered technical amendments and debated them properly. It is a shame that we are not doing so.

Chris Bryant (Rhondda) (Lab): I agree with my hon. Friend completely. We are only doing things in this way because the Government do not have enough to fill our days. Since we have the innovation of the whole Committee stage on the Floor of the House, could we not have another innovation of having witnesses before us? There is a special place for them at the Bar of the House. We could devote one day, or perhaps additional days, to hearing exactly what those in local government think about the legislation.

Helen Jones: My hon. Friend, as usual, makes an interesting point, but he is tempting me to go beyond my remit and discuss the procedures of the House. Perhaps the Procedure Committee could look at that point.

John Healey: Before my hon. Friend moves off the question of procedure, does she agree that it is important that we do not lose sight of the fact that the introduction of evidence sessions as part of the Public Bill Committee process, as opposed to the Standing Committee process, was one of the good reforms of the previous Parliament? The hon. Member for Poole (Mr Syms) is right that there is useful expertise across the House from Members with a background in local government. However, unlike the previous consultation and the public statements of Ministers, evidence sessions would give members of the Committee and Members who are following the legislation time and help in getting to grips with the content of the Bill. It serves our purpose, as well as the wider purpose of better legislation, to have those evidence sessions and not to put them to one side, as the Government are doing in this case.

Helen Jones: My right hon. Friend is right. We do have a lot of expertise across the House, but we need up-to-date and informed expertise, which is what evidence sessions give us.

Graham Stringer: On a point of order, Mr Hoyle. I was interested in what my hon. Friend the Member for Rhondda (Chris Bryant) said. Will you advise the Committee on how it could hear from witnesses in its sittings on the Floor of the House?

The Chairman of Ways and Means (Mr Lindsay Hoyle): There is no procedure to do that in Committee of the whole House. Mr Bryant was taking the hon. Lady away from the subject that is before us.

Helen Jones: If I may return to the subject of the amendment—

Chris Bryant *rose—*

Helen Jones: I will just make a little progress.

Councils are expected to prepare for the changes that the Bill will bring in without knowing exactly what they are preparing for. This is an enabling Bill and we have not seen any draft regulations to go with it. In the Government proposals, there is no guarantee that councils will not be worse off after the first year of the scheme. Councils do not yet know what percentage of business rates they will be allowed to keep. They do not know how the levy will be set, nor who will qualify for a safety net payment and in what circumstances. They do not know what their business rate baseline will be.

Bill Esterson (Sefton Central) (Lab): My hon. Friend is making an incredibly important point, which cuts to the heart of the matter. The Government say that they are in favour of localism, yet they have created a Bill in which the Secretary of State retains many powers. As my hon. Friend says, those powers are not defined, so it is not clear whether local government will keep business rates and how much it will keep, or whether and when the Secretary of State will intervene.

Helen Jones: My hon. Friend makes a powerful point. As the Bill progresses, we will table amendments to attempt to clarify some of those matters. However, at the moment, local authorities are in the dark about what they will deal with next year, if the Bill is passed.

Alison Seabeck (Plymouth, Moor View) (Lab): As with so much legislation under this Government, whether in Committee or on the Floor of the House, we are being asked to consider the Bill blind. We are not given the background information that we need—for example, the national planning policy framework in the case of the Localism Bill. Does my hon. Friend agree that the Bill, like so much current legislation, is therefore likely to form part of the logjam in the other place at some point further down the line? The amendment makes enormous sense, because the last thing we want is legislation stuck in the other place, and, in this instance, for the timetable to be missed.

Helen Jones: My hon. Friend makes an important point about our not seeing the draft regulations. It is difficult to debate the Bill properly without them and it also makes matters difficult for local authorities. Moreover, the measure is a carry-over Bill. The Government have got themselves into such a mess with their legislation backing up in the Lords that they cannot, even with the extended Session, guarantee that the Bill will get through before the Queen's Speech.

Chris Bryant: May I pull up my hon. Friend on one point? She referred to councils, but she means councils in England. Is there not a particular irony here, in that the Conservative party has spent the past few years campaigning for English votes for English folks in the House, yet by holding the Committee stage on the Floor of the House, Welsh Members of Parliament are almost required to take part in the process when otherwise they would not be allowed to do so?

Helen Jones: My hon. Friend makes an interesting point, although I have never known him to need any pushing to take part in any process in the House—thankfully, because he contributes so much.

The Bill is hugely complicated, local authorities do not know what faces them, and the measure will not get through until the next Session. On the Government's timetable, the Bill must get Royal Assent by July. That means that regulations may not be put before the House until after the Bill has finished its passage. The House will rise earlier than usual this year because of the Olympics, which means that they may not be put before the House until the autumn. That causes real difficulty for local authorities, because it leaves so much uncertainty about what they will have to deal with.

John McDonnell: I feel a bit like Banquo's ghost in this debate because I was chair of finance on the Greater London council, whose expenditure tipped Mrs Thatcher over the edge and into nationalising the business rates. There are real problems with the complexities of the Bill, as set out in the briefing from London Councils. It is difficult for individual Members of Parliament and individual local authorities to work out the implications for one's area. Although we cannot receive witnesses on the Floor of the House, as the Deputy Speaker said, the Government have introduced a procedure whereby we can pause a Bill to enable us to undertake further consideration and consultation with the relevant interested parties. Perhaps the Government could consider that at some point during the day. We might want to pause the Bill and come back to it later, after more detailed discussions with interested parties.

Helen Jones: I am grateful to my hon. Friend for reminding us of two things: that a Conservative Government nationalised business rates and the idea of a pause. The Government are in such a mess with most of their legislation that the whole lot could probably do with a pause while they rethink.

Let me revert to the uncertainty for local authorities. They have made it clear that they are concerned about the short time they will have, following the passage of the Bill and the regulations that go with it, to make changes to their systems. London Councils said:

> "All of these changes will require substantial changes to systems and processes at the local level, and we are extremely concerned that not enough time is being allowed for all of these policies to be properly thought through and implemented."

I could not put it better myself.

Local authorities are being asked to cope with not only changes to non-domestic rates, but the localisation of council tax benefit at the same time. That will require new IT systems, which are unlikely to be ready, and more changes to local council revenues.

1.45 pm

Alison Seabeck: There are only three, possibly four companies in the UK that are capable of producing the sort of software that local authorities might require. Clearly, they will have a capacity problem if they are faced with hundreds of local authorities wanting individual systems. That is concerning.

Helen Jones: My hon. Friend is right—there will be a capacity problem. Again, it would have been useful to hear witnesses from the relevant companies and consider the time scale they need.

Councils will also have to cope with changes to their revenue. It is likely that some people who receive a cut in their council tax benefit will not be able to pay, and collection rates will fall. That will affect some local authorities far more than others. The change also brings with it the possibility of more claims, because we are moving from perceiving something as a benefit to its appearing as a reduction in the council tax bill. All those with expertise in benefits say that it is likely that more pensioners will claim. That is a good thing, but local authorities need time to adjust their budgets because they face a 10% reduction in the amount of money available, coupled with protection for pensioners, and the possibility of more claims.

Mr Raynsford: My hon. Friend is making a powerful case. She is considering the changes to the benefits scheme and she highlights the fact that an increase in pensioners' claims as a result of the changes would be a further problem for local authorities. Indeed, it will be a major problem for them, because they will not receive the funding to pay for it that they get under the current benefits scheme. They are being asked to budget in advance, with all the uncertainties, knowing that the downside risk remains with them if the financial position is not as good as they thought when they budgeted. There is no safety net in the benefits part of the system for authorities that find themselves in difficulty. That is a fundamental problem, which is arousing real concern in local government circles. It is extraordinary that the Government are not giving an opportunity for those serious problems to be understood.

Helen Jones: My right hon. Friend is, of course, right. Throughout the Bill, financial risks are transferred to local authorities. The Government set the system but transfer the financial risk elsewhere.

Let me return to the problems with IT systems. Earlier, my hon. Friend the Member for Plymouth, Moor View (Alison Seabeck) mentioned that only a few firms provide those systems. Interestingly, Capita has sent an e-mail to benefit and council tax managers to set out its concerns about the timing of the system. The manager who sent the e-mail writes:

> "I think the most important point to make is that I remain concerned and disappointed that the timetable remains unchanged meaning that primary and secondary legislation will not be passed until the summer / autumn / winter 2012. Without the framework and detailed regulations underpinning both the local schemes and means for ensuring that pensioners now and in the future remain protected or treated equally, it is impossible to commence planning for software changes."

That is the system with which the Government are expecting local authorities to cope.

There are other changes in the Bill—provisions on tax increment financing, on the rating of empty properties, and on exemptions from the scheme for renewable energy projects—for which local councils need time to plan, adjust their budgets and rethink the way they do things. Those measures require changes to how councils organise themselves and changes to IT systems. Many local authorities are making it clear that they believe the Bill does not give them sufficient time to prepare for those changes.

May I make a suggestion to the Minister—it is meant to be a helpful one? I try to be helpful occasionally even if the Whip is giggling away. Why not run the proposed system as a shadow system for one year to see how it works and iron out the glitches? Why not continue with the old system for a year but give local authorities an indication of what they would have received under the new system? That would allow any problems to be ironed out and the system to work properly.

Above all, the Opposition are saying that Ministers ought to take note of the people who must implement the changes on the ground—the people who collect the rates, who design the systems, who administer council tax benefit and deliver the services. If the Government rush the implementation of the Bill and it all goes wrong, chaos could result. They need to take the opportunity to test the system properly and to think things through. If they insist on introducing this hugely complex system, they need at least to give themselves time to run it properly and ensure that local councils can adapt their systems properly. That is why I have moved amendment 20 today. It might be helpful if I tell the Committee at this point that the Opposition intend to press the amendment to a Division.

Mr Syms: I, too, have been an Opposition politician. Opposition politicians often argue that Bills taken on the Floor of the House really ought to be taken in a Public Bill Committee; and when there is a Public Bill Committee, they argue as eloquently as possible that the Bill ought to be taken on the Floor of the House. When Opposition politicians are not sure what to do about a Bill, one thing they say is that it has not been considered for long enough. They then try, as amendment 20 does, to delay the commencement date, because that is a good substitute for hearing their views on such reforms. If they can press an amendment, such as amendment 20, to a Division after a debate, that is very good, because in that way they cannot discuss some of the important issues in, say, schedules 1, 2 and 3. Perhaps we will end today not quite knowing where the Opposition are on some of those issues.

The reality is that we probably have the most centralised system of local government in the western world. The Bill is a step in the right direction for devolving power. Perhaps it does not go far enough, but we will doubtless see as the Committee progresses over its three days what assurances we get from the Minister on the pace at which the Government are going.

I am confident that the Government's instincts are right. My experience of local government officials is that they must always second-guess central Government. Some are pretty good at it. Rather than prevaricating, if we are to change the system, the sooner we do so, the better. I therefore support my hon. Friend the Minister.

Mr Kevan Jones: The reason the Bill is being taken on the Floor of the House is that there is no business—the business is in a logjam up in the other place.

It is important that the Bill gets detailed scrutiny. As my hon. Friend the Member for Warrington North (Helen Jones) said, in a Public Bill Committee, we would have been allowed not only to scrutinise the Bill, but to take evidence from councils, professionals and others with such expertise. We will not have that opportunity. As one who sat on one of the very first pre-legislative scrutiny Committees back in 2001—it was on the Civil Contingencies Act 2004—I was converted and became a great fan of such pre-legislative scrutiny. That Committee was given the chance to look at the proposals in detail, and as my hon. Friend said earlier, the Bill will bring about a radical change in local government finance in this country.

We had just over three hours last week on Second Reading.

John Healey: Two hours for Back Benchers.

Mr Jones: As my right hon. Friend says, we had two hours on Second Reading for Back Benchers. What we will see with this Bill is what we have seen with a number of Bills. They fly through the House at the speed of light only to land in the other place to be picked apart

[Mr Kevan Jones]

slowly but surely because of their terrible drafting and the draconian implications they will have for many of our constituents. I can foresee exactly what will happen with this Bill. When we look at the next few weeks of business programmed for the House, we can see that we could have unlimited time to debate the Bill, but time will be limited, and the Government will push the Bill through with undue haste because they are determined to do so.

As has already been said, the time scale set out in the Bill leaves councils with a huge dilemma, which is why I support amendments 20 and 21 to 25. I said this on Second Reading, but I will say it again: the Bill is highly political in the sense that the Government are shifting blame from themselves to local councils under the guise of localism. A good example of that in the Bill is the administration of council tax benefit. The measure contains a poison pill. Local councils must defend their decisions on implementing a 10% cut locally. Clearly, the Minister and the Secretary of State will turn round and say, "It's not us, Guv; it's local councils." That has been the Government's approach to responsibility throughout. It is nothing to do with localism; it is a highly political and cynical attempt to deflect the blame from where it should lie—it should lie with the Government, not local councils.

John Healey: My hon. Friend makes an important point that counters the assertion of the hon. Member for Poole (Mr Syms). He said that Opposition Members argue that the Government are going too far too fast with the Bill because we do not know what to say about it. Does my hon. Friend agree, to the contrary, that the local authorities that must implement the Bill are worried about the rapid time scale? Authorities in Yorkshire and the Humber have told us that they are concerned about

"the rapid timetable for these reforms, given the huge levels of complexity involved and the radical implications they will have on councils' ability to fund services to local communities".

That is why my hon. Friend the Member for Warrington North (Helen Jones) was so right to table the amendments.

Mr Jones: I agree totally with my right hon. Friend. The Bill also has the backdrop of councils having to introduce draconian cuts—County Durham must take £125 million out of its budget over the next four years.

That is alongside the uncertainty in the Bill. Neither hon. Members nor councils know about the regulations, and they will not know exactly how the rebate system will work. When they are budgeting for future years, it is important that councils know what they can do. The time scale in the Bill means that they are walking into the new arrangements blind. They do not know what they must deduct, because we do not have the regulations before us.

George Hollingbery: Having spent 11 years as a local councillor, I can reflect on the fact that in almost no year that I can remember did we have any certainty about our finances. It was all entirely settled by national Government through an incredibly complex system that nobody understood. I am stretched to understand why the hon. Gentleman thinks the new system will be any more confusing.

2 pm

Mr Jones: I do not know when the hon. Gentleman left local government, but we introduced three-year budgeting, which helped local councils. I agree that under the old system, when I was a councillor in the days when the Tories were last in government, the biggest problem for councils was having to guess what their annual budget would be. I am not sure whether three-year budgets were introduced by my right hon. Friend the Member for Greenwich and Woolwich (Mr Raynsford), who is in his place, but they gave councils some certainty. The Bill will add more uncertainty. Councils will be asked to second-guess what the system will be, and we will have no opportunity to scrutinise it before it becomes law.

Andrew Gwynne (Denton and Reddish) (Lab): It is precisely that uncertainty that is unsettling a number of local authorities, including Tameside metropolitan borough council in my constituency. Had we had the opportunity to scrutinise properly the impact of the Government's changes on various local authorities as part of the process of deliberating on the Bill, we would have been able to assess the winners and losers across the country. Despite the picture that Ministers paint that everybody is a winner and nobody is a loser, the reality is quite the contrary. Over the coming years, as the new mechanism operates, the gap between authorities that win and those that lose will widen. I believe that areas such as mine, and no doubt my hon. Friend's, will be the losers.

Mr Jones: I agree, and that uncertainty will be a problem not just because councils will not know what the rebate is going to be. It is quite clear that Durham is not going to gain from the new system, and it was interesting to hear the Secretary of State and the Minister say last week that the area would be a net gainer. However, the Secretary of State failed to tell the House—he is very good at that—that he was referring to the last five years' figures, for some of which time the economy of County Durham was growing. Now, under the coalition Government, it is—

Gavin Barwell (Croydon Central) (Con): It is a relative change.

Mr Jones: It is not at all. If the hon. Gentleman comes to my constituency and says that to the 21% of young people who are unemployed, I am sure they will find it very amusing. It is quite clear that given the economies of regions such as the north-east, if local authorities do not know what their compensation will be, they will not be able to make plans.

It is interesting that Government Members seem quite quiet this afternoon, including the Liberal Democrats, who claim to be the party of local government.

Mark Tami (Alyn and Deeside) (Lab): Not for very long.

Mr Jones: No, and that is possibly because they will have to explain to northern councils why they are supporting measures that will have a terrible effect on their budgets. They sidestep that issue and say that it is all because the matter is covered by the coalition agreement, and then we have the usual deathly silence from them. We need to

remind all our constituents on every possible occasion that such draconian cuts could not be got through the House without the support of the Liberal Democrats.

Annette Brooke (Mid Dorset and North Poole) (LD): Would the hon. Gentleman like to tell the House whether he agrees with the principle of local authorities retaining more of their business rates? That is what we are meant to be discussing, and I would very much like to hear his view.

Mr Jones: I think the hon. Lady represents Dorset, and there is a big difference between Dorset and parts of County Durham. Even though there are some very beautiful parts of County Durham, I am sure that Dorset's economic activity shows it to be far more affluent than parts of County Durham. I support local decisions being taken at a local level, but I do not support a system in which her constituents in wealthier areas will gain at the expense of constituencies such as mine that need support for economic development.

What we heard last week on Second Reading from Government Members was absolutely disgraceful. Conservative Member after Conservative Member referred to local councillors not being interested in economic development. I have to say that I have never yet met one who does not want to increase the economic vibrancy of their area. They put a lot of effort into doing that, and such comments show again the prejudice of Government Members.

The changes to council tax benefit will be a nightmare for councils not just because of the localisation of the system but because of its top-slicing—

Mr David Ward (Bradford East) (LD): Speak to the amendments, will you?

Mr Jones: I am sorry, but I think you are chairing the Committee, Mr Amess, not a Liberal Democrat Member who usually has very little to say, and frankly when he does it is not very interesting.

I am talking about the time scale of what is being introduced. We will have to work out the methodology of how the funds are to be distributed. We hear, for example, that pensioners are not going to be included, which will have an effect on some poorer councils, such as the eastern part of County Durham, with large ageing populations. The time scale for the system's introduction is very limited, and there is uncertainty about exactly how it will happen. Instead, the Bill should have included the schedules, procedures, mechanisms for redistribution and so on.

Christopher Pincher (Tamworth) (Con): The hon. Gentleman seems to be arguing that because there is uncertainty, the Bill should be delayed. May I remind him of the words of the chairman of the Local Government Association, which I am sure he has read? He stated:

"The current system of funding local government is incredibly complex and does not meet the needs of all the people we serve."

He also said:

"Now more than ever, we need to put in place a funding system that will support local public services and generate economic growth."

Is that not an argument for progressing more quickly rather than for delaying?

Mr Jones: The Conservative party needs to learn lessons, because every time it has dabbled in local government finance it has got its fingers burned. The hon. Gentleman talks about the current system being complicated, but the proposals in the Bill cannot exactly be said to be very simple, and it is clear that it will centralise power into the hands of the Secretary of State and take it away from local councils.

Mr Raynsford: We have heard a rather partial and not very accurate account of the LGA's view. Perhaps the hon. Member for Tamworth (Christopher Pincher) has not read its briefing. I will not go into the details, because interventions must be brief, but it states that

"the LGA supports amendment 60 which would postpone the introduction of the scheme by 12 months."

Mr Jones: Ten out of ten to my right hon. Friend for picking that up.

Graham Stringer: None out of ten to the hon. Member for Tamworth (Christopher Pincher).

Mr Jones: Or perhaps minus one for being selective in his quotation. It is not the first time that the Conservative party has been selective in using quotes.

Christopher Pincher: One fact that is absolutely undeniable is that Durham's business rate growth has been greater than the national average, so the Bill will help the hon. Gentleman's constituents, not hinder them.

Mr Jones: I am sorry, but when the hon. Gentleman gets his briefing notes from Conservative central office or wherever, he should perhaps examine how the figures are presented. The Secretary of State is very good at presenting figures. They are actually the figures for the past five years, when we had a growing employment base in County Durham.

Mark Tami: And a Labour Government.

Mr Jones: Indeed. Now, we see that the latest unemployment figure is nearly 7.8% for my constituency and nearly 12% for the north-east in general, and businesses are closing. Is the hon. Member for Tamworth (Christopher Pincher) saying that those businesses are somehow going to grow over the next few years as a result of this measure? In fact, councils will lack certainty about how much they will get. The local authority is one of the biggest employers in County Durham, but there has been a reduction in the numbers of people. I think the policy is that by cutting back in local government and public services, all these new jobs will rush forward from the private sector, but today's figures show that 67,000 people have left the public service in the last quarter, while only 5,000 jobs have been created in the private sector.

As I said on Second Reading about my constituents in the north-east, the Bill will actually help the affluent south. Clearly, it is a damn sight easier to attract business to the likes of Westminster and other economic hotspots in the south-east of England than to parts of County Durham. That is no criticism of the work that local councils do to attract jobs—for instance, with the council's full support, the area has succeeded in attracting Hitachi trains to Newton Aycliffe in County

[Mr Kevan Jones]

Durham. I know of the tremendous work that my hon. Friend the Member for Sedgefield (Phil Wilson) did on that campaign.

The Bill is being rushed through with undue haste. We are expecting councils and local people to walk blindly into the future. The parties in government sometimes try to portray this as a simplified system, but it is not; it will be a centralised and bureaucratic system. We cannot allow a situation to develop in which local people or local government do not know how much money they will get or how the system will work in practice.

Andrew Gwynne: Is not one merit of pausing, delaying and taking stock of the changes that it would allow us to get the baseline starting point absolutely right for each local authority, which is crucial, and is it not the case that using the 2012-13 formula grant model, including the damping, to determine the baseline will, for local authorities such as mine in Tameside, lock in the funding losses arising from the damping exercise and the disproportionate reduction in funding from the 2011-12 and 2012-13 settlements?

Mr Jones: Yes. That would have come out had we had proper pre-legislative scrutiny in Committee. It is the same for County Durham. Under the funding settlement introduced last year by the Conservatives and Liberal Democrats, County Durham lost about £10 million. That will be in the system for ever more now because of the measures in the Bill. Surprisingly, Wokingham council, Surrey council and many others gained from the system. That injustice will be written into the Bill for ever.

Mr Mike Hancock (Portsmouth South) (LD): I declare an interest as a member of Portsmouth city council and the executive member for economic development. The hon. Gentleman states that the Bill will greatly damage local authorities. Will he reflect on why, over 13 years, the previous Labour Government, who received similar complaints from local authorities, did little or nothing to assist them by putting local finance on a proper footing?

Mr Jones: That is not true. We did. We had a three-year settlement and an increase in the settlement. Through the regional development agency in the north-east, we were putting money into areas such as Country Durham so that they could work with local councils to attract new businesses. I know that the hon. Gentleman does not necessarily agree with everything that the coalition does, but unfortunately, in places such as the north-east, it is taking away the main driver, the RDAs, that local councils could work with to attract more businesses to the north-east.

Mr Hancock: My recollection of those years was that money was taken away from the city of Portsmouth, where there was high unemployment and great deprivation, and that the benefits went to places such as County Durham. We felt for a long time that the formula was very unfair and we campaigned to get it changed, but the Labour Government turned a deaf ear to the pleas from authorities such as Portsmouth which were trying to make a rational case for equalisation and a much fairer distribution.

2.15 pm

Mr Jones: But Portsmouth council received a year-on-year increase in its grant. It is interesting to hear a Liberal Democrat argue that deprivation should not be important to how local government money is spent. I would not be surprised to hear that from the Secretary of State because, frankly, I do not think that he cares—for instance, his support for his own Conservative areas at the expense of areas such as the north-east is highly political.

Mark Tami: Does my hon. Friend recall the piles of Liberal Democrat leaflets over many years calling for more and more expenditure? Now that they are in government they are taking a slightly different approach.

Mr Jones: Exactly. Not for the first time, some of those chickens are coming home to roost. Hopefully, we will have fewer Liberal Democrat "Focus" leaflets claiming credit for everything that goes right and criticising everything else that the previous Government did. Some of those northern councils had Liberal Democrats, but thankfully, in places such as Newcastle and Sheffield, the electorate have seen through them.

In conclusion, the timetable for the Bill needs to be rethought. As suggested by my hon. Friend the Member for Rhondda (Chris Bryant), if we can take witnesses at this stage, we should consider doing so, because otherwise the same will happen as has happened with a lot of Bills this Session: the Bill will be rushed through here only to be held up in the other place, where the ladies and gentlemen will give it the proper scrutiny that it deserves.

Mr Ward: I want to make just a few comments. I also consider it regrettable that the Committee stage is being taken here and not in one of the Committee Rooms. The quality of debate might have been better in that environment.

I am sympathetic to the amendments on deferment. I want to discuss that point in particular. After many, many years of seeking the change for which most in the House have called, we have before us a radical and important shift in the relationship between local government and central Government, but we face a potentially enormous change of not just a financial nature but a constitutional nature. One of the concerns that I guess we all share is about the unknown consequences of the redistributional impact.

Yes, there are tariffs and top-ups, and we welcome the application of the retail prices index to the baselines for business rates and local authority funding—that is welcome—but actually local government finance is not too complex. Yes, the formula and weightings are complex. We all know about the complexities of what goes into the computer and the figures that come out, but its purpose at the moment is actually pretty simple: to redistribute funds to authorities on the basis of need. That is pretty simple. But we are moving from that system to a new system.

We all welcome, I think, the principle behind localisation. The trouble is that, with many of the things we are facing, the easier it is to accept something in principle, the more difficult it is to challenge the consequences. Because we are talking about such a strong principle, which many of us hold, we are willing to accept some of

the consequences, or potential consequences, when we are not fully aware of what they will be. There may or may not be a change if we move from a system based on the allocation of funds by need to one based on allocation by growth in business rates. However one thing we do know is that if things go wrong, it must, by definition, be one that, with the total pot—

Graham Stringer: Will the hon. Gentleman give way?

Mr Ward: Let me just finish; I shall not be much longer.

I understand all the measures that are built in, but if the total pot is the same and there is a redistribution, it must be to the disadvantage of the beneficiary authorities that receive most of the formula grant. That is a concern, and although it might not affect those authorities for the first few years, because of the baseline protection, the unknown consequences—

Andrew Gwynne: Will the hon. Gentleman give way on that point?

Mr Ward: Let me just get through this.

The Bill is not too complex. One of the arguments against having witnesses—it would have been useful to do that—is that we will get the opinions of only those witnesses. The truth is that nobody knows what the outcome of this will be, because it is dependent on the growth in business rates, while the strategy of rebalancing the economy will have implications for different parts of the national economy.

John Healey: On a point of order, Mr Amess. Any written evidence submitted to a Public Bill Committee, and not just the oral evidence taken in its opening sittings, will be circulated to all members of that Committee. May we have your guidance, and then the reassurance of the Minister or the House as appropriate, that any written evidence submitted to this Committee of the whole House will be circulated to all Members, who may all have an interest in participating?

The Temporary Chair (Mr David Amess): The Standing Order on written evidence does not apply to Committees of the whole House, so I am afraid that I shall have to disappoint the right hon. Gentleman.

Mr Mike Hancock: Further to that point of order, Mr Amess. Is it not possible for the House itself to decide that it would be appropriate for evidence supplied to this Committee to be circulated to all Members?

The Temporary Chair: I hear what the hon. Gentleman has said, and I think that this is something that could be considered on another day. Perhaps it is something that we could put to the Procedure Committee.

John Healey: Further to that point of order, Mr Amess. As the Chairman of this Committee, you will have noticed that the programme order suggests that there will be at least two more part-days for our proceedings. Will you do your best to ensure that the suggestion made by the hon. Member for Portsmouth South (Mr Hancock) is put to the right authorities, so that, if agreed, a decision can be put in place for the final two of these three days in Committee of the whole House?

The Temporary Chair: I will reflect on the point that the right hon. Gentleman has made, and obviously those on the Treasury Bench have heard it. What is proposed might not be possible because of time constraints, but I will certainly reflect on it.

Mr Ward: Just to conclude—

Mr Kevan Jones: Good.

Mr Ward: You and I are going to have to have words later.

The Temporary Chair: Order. I would remind all hon. Members that this is the mother of all Parliaments, and we conduct ourselves in a civilised way. I am aware that something has been happening that is outside what is normal debate, but I would ask hon. Members please to calm down.

Mr Ward: The issue that I want the Minister to consider is not so much to do with the resets—whether they should be every 10 years or every three years—because the reset implies that something needs changing, and the truth is that we do not know whether anything will. What is much more important, as we venture into the unknown, is how quickly everything is reviewed. That might be after one year, or two years, and not necessarily the three years proposed by the amendment. We need to have clear evidence as soon as possible about the impact and the consequences of what is proposed in the Bill.

Heidi Alexander (Lewisham East) (Lab): I am grateful for the opportunity to speak in this debate, Mr Amess. I just want to pick up on the point made by the hon. Member for Bradford East (Mr Ward) about the principle of this Bill. I think that he said that most people in the Committee agree with it. I agree with the principle that local authorities should do all they can to promote economic prosperity and growth in their areas. I am not sure that I necessarily agree with the principle of retention and localisation of business rates, although I will not repeat my concerns about that point, which I expressed on Second Reading last week.

I support the amendment tabled by my right hon. and hon. Friends on the Front Bench, because it is overly optimistic, shall we say, of the Government to think that they will be able to get this legislation through and that councils will be able to put the requisite systems in place to introduce the new system of finance in 2013. If we are to have this new system, the commencement date should be moved back, to 2014.

Last week on Second Reading we heard a lot about how the issue of local government finance had been much debated and how the previous Government commissioned the Lyons review. We had an historical "tour de force", going through the history of local government finance, even referring to the work of Layfield in the 1970s. Government Members seemed to suggest that there was a case for just getting on and doing something to localise business rate retention, but doing something for the sake of it is not the same as doing something because it is the right thing to do and because it will work. The complexity of the new scheme that is being proposed will not make the system of local government finance any more transparent to local councils

[Heidi Alexander]

and councillors, or even the general public, because what we have before us is a system with a whole range of baselines, tariffs, top-ups, levies, set-asides and safety net payments.

Andrew Gwynne: My hon. Friend mentioned the issue of setting the baseline. It is absolutely crucial that we get that right, so that local authorities are not put at an immediate disadvantage. She talked about the tariffs and top-up system. However, the introduction of the new system is also predicated on every local authority in the country having the same council tax base and the same ability to raise income from council tax if it faces a reduction in its business rates. Local authorities such as Tameside—where more than 90% of the properties are in band A or B—do not have the same ability to raise extra income from council tax, should they lose out on the business rate formula.

Heidi Alexander: My hon. Friend makes a very fair point, and if I am correct, those on our Front Bench have tabled amendments for debate later that deal with exactly that point.

We need to take longer to scrutinise the Bill and for the proposals within it to come into force, because I would contest that this Government do not know whether they are coming or going in relation to local government finance and the retention of business rates, or how this proposal will stimulate growth in local economies.

Mr Kevan Jones: What is clear from the Bill is that the Secretary of State will not only retain but increase his powers to interfere in local government finance. The question of how a future Secretary of State should use those powers will be of great concern to many councils.

2.30 pm

Heidi Alexander: I think it will be, and that very point was made last week. The Government claim to be localising but they are, in effect, centralising.

I thought one of the most telling points on Second Reading last week related to where the Government are coming from with this Bill and what they understand local authorities to be doing to promote economic development. The most telling point was when the shadow Secretary of State stood up to expose this Government's inconsistencies on what local authorities are doing currently. He pointed out that one document published by the Government said:

"We know that local authorities are keen to grow their local economies",

while another said:

"local authorities are generally reluctant to...promote economic growth"—[*Official Report*, 10 January 2012; Vol. 538, c. 91.]

The Government are speaking with a forked tongue on this issue, and if the rationale is not clear, why are we going through this process of rushing to get this measure on the statute book and forcing local authorities to implement a scheme that might not have the impact on local economic growth that the Government want?

I think the Government are unclear about what local authorities are doing now to promote economic development, and I think they are unclear about the impact of their own cuts on economic development services in councils, which, as we all know, are a non-statutory service. I know that difficult decisions are having to be taken. My local authority lost a town centre management team, which was a liaison point between the business community and the council. That happened precisely because the Government imposed unfair cuts on local authorities in Lewisham to the tune of £80 million over the next three years out of a £270 million revenue budget.

When the Secretary of State came before the Select Committee in September last year, I questioned him closely about what he anticipated local authorities would do differently from what they are doing now to encourage economic growth and development in their areas as a result of this proposal. I argued that these measures were being rushed through, that we need more time and that the Government need to be clearer about what they are doing. Let me share with the Committee what the Secretary of State said to me when I questioned him in the Select Committee. I had to question him three times. I was asking a specific question about what local authorities would do differently. The Secretary of State said:

"I think they would see the reward."

I said:

"No. What would they do?"

He then said:

"Please do not badger me like this; I am a sensitive man."

[Interruption.] Well, the Minister says that it was a joke, but I can tell him that the Secretary of State's following paragraph most certainly was a joke. To be honest, it was a complete load of nonsense. The Secretary of State could not answer my question, and he started to talk about sea shanties. I think this cuts to the heart—*[Interruption.]* I know, it was mad; I could not fathom it at all, to be honest.

My point is that Ministers are not clear about what they expect local authorities to change as a result of the new system of local government financing. They may have started with the best will in the world, but we have a hugely convoluted and complex system that, as I said earlier, contains a whole series of assumptions about baselines, about which authorities are tariff authorities and which are top-ups, about how much the set aside is going to be and for how long it will apply, about how much the levies will be, about who decides on what counts as disproportionate gain, and so forth. The position we are left in is vague, opaque and no clearer than under our current system.

John Healey: My hon. Friend is making a powerful case about the volatility, the unpredictability and the rogue factors that can throw out revenue from a business rate base. Is not the real argument for delaying the commencement of these provisions connected to that, combined with the fact that 2013-14, when this system is supposed to come into place, is also year three of local councils having to deal with the spending review settlement introduced by this Government? The finances are very tight, so predictability and certainty will be key to councils planning their way through that. Those are the really powerful arguments that my hon. Friend is making to justify putting back the commencement, as recommended by our Front-Bench team.

Heidi Alexander: My right hon. Friend expresses the case incredibly well; I agree with everything he said.

Have we not seen examples in this Parliament of the Government taking a pause—taking a break—and saying, "This is quite a complex piece of legislation"? I am referring to the Health and Social Care Bill. While this Bill might not be as sexy—I do not really think that the proposed changes to the NHS are in any way sexy; indeed, I think they are destructive and very controversial—these proposals are very controversial as well. I suggest that the Government pause and listen to what local authorities are saying.

John Healey: My hon. Friend amplifies her case. On Second Reading, she told the House something from which this Committee would benefit. I believe she pointed out that the ninth largest business in her borough was the local police station, while the biggest business rate payer was a business with a small office above a bowling alley, which happened to be the national headquarters of a national firm. That illustrated perfectly how contingent a local council's business rate take is on accidents and other contingencies of business location and so forth. It showed how unpredictable and volatile the business rate stream can be.

Heidi Alexander: I was not going to repeat my comments on Second Reading, but my right hon. Friend tempts me into reiterating some of my remarks about the differing ability of different councils to promote and develop their local economies. Sometimes the business rate take will be dependent on a whole range of different things, not just on what a local authority is or is not doing. I suggest that Ministers go back to their geography lessons and learn what we all learned at school about why businesses locate in different parts of the country and how success can breed success so that areas with a large business rate are likely to grow much faster than those with a smaller rate. I know that the Government propose to check disproportionate growth and the effect of having a larger business base to start with, but it is undoubtedly the case that different parts of the country have different abilities to attract and grow businesses.

The Government's policies are making those differences even more explicit. Last year saw the National Insurance Contributions Bill, which gives a national insurance holiday to small businesses that are starting up outside London and the south-east, so it is not really a level playing field for local authorities. A small business setting up in, say, Middlesbrough or Birmingham might be able to get a tax break, while a similar business setting up in Lewisham might be operating in exactly the same type of area, employing exactly the same number of people with the same turnover and the same profit margins, yet not get such a break. Is that company as likely to locate in an area where there is a tax break as in one where there is not, like London?

Alison Seabeck: My hon. Friend makes her point well. The Government's left hand does not know what their right hand is doing. Let us consider transport policy and the potential impact of transport infrastructure investment in benefiting one area over another. No high-speed rail link is proposed for Plymouth, for example. Even though Plymouth is struggling and needs good transport interconnections, the money is not going there. Such issues are hugely important in businesses' decisions about where to locate or expand.

Heidi Alexander: I completely agree with my hon. Friend. I tried on Second Reading to make some of those points. Local economies grow because of a range of factors, including transport and the availability and type of land—it is not all about what a local authority is doing. One can argue that a local authority should foster economic growth through its planning policies and decisions, but the vast majority of councils across the country do that already. The partial retention of business rates will not stimulate local authorities to think, "Hang on, we need to look at our planning policies to decide what more we can do to foster economic growth."

George Hollingbery: As I mentioned on Second Reading, I had exactly that reaction from Havant borough council, which is by no means a wealthy council. When I explained the changes, it was enthusiastic and said explicitly, "We will now have to re-examine how we plan. We will have to think about what we will do to stimulate business." It was excited and believed that the proposal would make a difference to its policies towards businesses in the local area.

Heidi Alexander: I have not had the same reaction from my local authority, although the hon. Gentleman and I represent very different parts of the country. If the Government's proposal prompts local authorities to think more positively about what they can do, that is all well and good, but it is not the whole answer. I would also urge caution, as developments need to be appropriate. The benefits of increased business rates as a result of new commercial development, arguably in unsuitable locations, might drive more local authorities to grant planning permission for unsuitable developments. We need the right development in the right place, with local government financed in a way that allows it to provide the services needed by the local population.

Andrew Gwynne: My hon. Friend is getting to the heart of why a pause is needed for deliberation on the possible impacts across the country of such far-reaching changes: some local authorities might have an over-reliance on one sector in developing economic regeneration plans. In my local authority, Tameside, the largest business rate take is from IKEA, the second largest is from Morrisons, and the third largest is from the Crown Point North retail development in Denton. The three main beneficiaries of the proposal would therefore be retail developments. There is no capacity for more retail on such a scale in Tameside without destroying the market across Greater Manchester, of which Tameside is an integral part.

Heidi Alexander: My hon. Friend is right to ask whether the proposal will result in the development and business growth that the country needs. There are only so many supermarkets and out-of-town retail centres that the country needs. It was suggested on Second Reading that the kind of economic growth that we would ideally like has a lower business rate take. In my constituency, I am struck by the small companies that start up in people's homes—Lewisham does not have large tracts of land where businesses are located. The Government need to think hard about the development that the proposal would stimulate. I support the amendment.

2.45 pm

Mr Mike Hancock: Like many Members, I was disappointed by how the proposal has been handled. One reason why I voted against the Bill on Second Reading was that I felt it unfair that something as important and precious as local government should be treated in such a cavalier way. Rather than being dealt with on the Floor of the House, a Bill of such size warrants close scrutiny in Committee, including oral evidence sessions. I am delighted, Mr Amess, that you are prepared to take to the usual channels the important proposal that the evidence that has been submitted should be offered to all Members of the House.

During my 40 years' experience of local authorities, every Government have used local government as an excuse. Time after time, they have talked about devolving power, but they have devolved nothing more than blame, and responsibility without resources. That has plagued local government for four decades. I regret that once again a matter as important as the future of local government finance is being bulldozed through the House in this way. It is unfair, and it will lead to great problems.

Ministers cannot begin to understand how difficult times are for local administrations that have to put together a budget for not one but three years. As we have heard, implementation will come when the third year of the round of cuts will bite deepest in many local authorities. Do Ministers truly believe that a local authority such as mine, Portsmouth, which daily challenges the market to bring inward investment to the city, is not doing all it can to make it clear that we are open for business and actively to support economic development projects? We would welcome anyone to come and see what the city has to offer. It is an insult to local government to suggest that such activity is not happening, and I resent being party to a coalition that is giving that impression. I am surprised, to say the least, at the comments from the Local Government Association, and disappointed that it is not being more forceful in defending the rights of local authorities and challenging this type of legislation.

I hope that there is still time for Ministers to think again. I chaired Committee proceedings on the Health and Social Care Bill, and was delighted at the end of those Committee proceedings, which were the longest since 1997, that the Government gave a commitment to the House and the Committee that they would take time to think again. The implications of much of this Bill leave too many unanswered questions. There is no detail about how the safety net will be implemented and how such judgments will be made. We are told that local authorities will be able to apply to be beneficiaries of the safety net procedures, but not when they have to make that application, how long a decision will take, or exactly when or how the money will materialise. Such questions would have been dealt with in Committee in greater detail. Ministers would have been able to give members of the Committee detailed responses to questions. However, three days' consideration on the Floor of the House does not give experts in the Department enough time to brief Ministers properly to answer legitimate points raised by hon. Members. That cannot be the right way to deal with as important a matter as local government finance.

On Second Reading, the right hon. Member for Leeds Central (Hilary Benn) spoke about the Layfield report. I remember hearing Frank Layfield express his views on local government finance. At the time of his report, we all thought that it would be the turning point, that there would be proper transparency about local government financing, and that all local authorities, irrespective of where they were in the country, would be able to say, "We get a fair deal from Government." It was said that everyone would know the formula for the funding of local government, but here we are, nearly 40 years on, and it is still hidden in mystique. The Bill perpetuates that situation although the formula should not be anything other than transparent, and council and business rate payers demand that transparency. I am at a loss to understand why the Government, whom I support, are not prepared to give local government the trust that it deserves, and reveal how they are calculating the formula.

I do not want to see the disparity that was referred to by the hon. Member for North Durham (Mr Jones) between his city and the city of Portsmouth, because I believe that the problems of poor people in my city and those who are striving to keep their businesses alive are the same as those faced by his constituents. We need an equal share of the resources that are available to local government, but they must be decided on the basis of a formula that is readily available for examination. Such a formula does not exist at present, and unfortunately the Bill does not make me feel at all enthusiastic about the possibility that it will exist in the future. For that reason, I have grave reservations about my ability to support it at any stage.

Mr Raynsford: Let me first draw attention to my interests as declared in the Register of Members' Financial Interests, and specifically to my role as a columnist for the *Municipal Journal*—the *MJ*.

I hope and believe that when the Minister sums up, he will have to reflect on the fact that every Member who has spoken—with the sole exception of the hon. Member for Poole (Mr Syms), to whose contribution I shall return in a moment—has expressed real reservations about the timetable that is being adopted, in the context of both parliamentary consideration of the Bill and implementation of the measures contained in it. That is fairly remarkable, given that it was supposed to be a flagship Bill granting local government more freedom, and a measure that local government should welcome. Indeed, the hon. Member for Poole, whom I have known for many years and for whom I have a great deal of respect, made that the key point of his argument. He seemed to be saying, "This is a step in the right direction: let us get on with it, because it gives more discretion to local government." The hon. Gentleman must wonder—as, indeed, I hope Ministers will wonder—why, if the Bill is of such benefit to local government, local government is so apprehensive about it. He must wonder why Members on his own side of the House, albeit on the Liberal Democrat Benches, have been so critical of the timetable. Let us think about that.

It is not just the organisation representing London councils, which happens to be Labour controlled at present, that has been highly critical of the timetable and has urged delay. I must remind the hon. Member for Tamworth (Christopher Pincher), who suggested that the Local Government Association was wholly in

favour of rapid action, that in its evidence it specifically supported an amendment that would delay implementation of the benefit changes until 2014. Even the LGA, a Conservative-controlled body, has expressed strong reservations about the timetable, while local government experts from whom we would normally expect to hear in evidence sessions are amazingly critical.

A week ago there was a very good article in *Public Finance* by Sarah Philips, who was an adviser to the Lyons inquiry and knows the issues thoroughly and deeply. She made some telling comments, such as these:

"The government's repeated use of the term 'local' in relation to the planned changes hasn't been enough to persuade councils that these will be an improvement. Current local government funding is incomprehensible, but these proposals taken together are even more complex and opaque. They have been criticised by councils, commentators and the communities and local government select committee—on most of the criteria the government set for itself and others... 'Rich' councils were looking forward to keeping most of their business rates and being free of central control. 'Poorer' councils were hoping for some continuation of equalisation, to recognise the huge range of needs and council tax revenues and their limited scope to increase business rates."

Many of my hon. Friends have made the same points during the debate. Sarah Philips continues:

"The proposed tariff and top-ups and central levy limit incentives for growth, yet do not give much hope that services in 'poorer' areas can continue undiminished—or that it will be possible to prevent a two-tier system.

The proposals acknowledge only implicitly the risks of localised funding. In Europe and Australia, many smaller authorities and those in poorer areas have struggled to provide quality services and many have gone bankrupt or merged. The plans threaten the technical and financial viability of small district councils. Losing Housing Benefit will remove an economy of scale with processing the council tax support—limiting the ability to maintain a corporate centre."

Those are just some of the comments that have been made by a real expert on local government finance—an officer who is clearly extremely anxious about the implications of the Bill. I hope that Government Members who have suggested that we should get on with it will pause to think about the serious risks attached to such action.

The hon. Member for Meon Valley (George Hollingbery) said in an intervention that local authorities had had to cope with annual changes in settlements in the past. As was pointed out by my hon. Friend the Member for North Durham (Mr Jones), our Government changed that and adopted a three-year cycle, but in any event there is a fundamental difference between an annual change in the settlement—which affects the actual amount of grant that an authority will receive for that year—and a complete change in the administrative system. The separation between council tax benefit and universal credit will require the establishment of a whole new administration and an entirely different system for the making and processing of applications, along with different computer programmes to determine eligibility and provide for the granting of discounts.

Mr Kevan Jones: Another element contributing to the uncertainty that will characterise the proposed new system is the possibility of fluctuations in business rates throughout the year. The Secretary of State implied that councils would somehow be compensated if a large employer disappeared—Alcan in Northumberland, for instance, is unfortunately being closed—but the Bill contains no details about that compensation.

Mr Raynsford: There are certainly no details about how the compensation arrangements and the safety net procedure will work. Nor is there any indication that central Government are prepared to accept that they are putting local authorities in an impossible position by proposing that they should take all the downside risk of a serious increase in demand for council tax benefit in any one year which they cannot themselves have anticipated.

What will happen to a local authority if a local business closes? What will happen if there is a serious rise in unemployment in the district, and as a consequence a large number of additional claims for council tax benefit are received? The authority will have no safety net. All that the Government propose is the possibility of some sharing or pooling arrangement with neighbourhood authorities to offset the risk. That is not compensating local government; it is local government having to help itself out in order to cope with the risk that is being transferred to it by central Government.

Alison Seabeck: I must first draw Members' attention to my indirect interest in the interest declared by my right hon. Friend. I should have done that earlier, but I did not get around to it.

Might not a pooling arrangement lead to different problems popping up in different authorities at different times during the year? Exactly when and how will the safety net begin to operate in all those individual instances, and will authorities really want to share such a degree of risk?

Mr Raynsford: There are two different elements. One is the safety net system, which the Government have outlined without giving us the details, and which is designed to cope with circumstances in which there is a serious reduction in non-domestic rate revenue because of changes beyond a local authority's control. That safety net exists, at least in principle. There might also be changes in benefit demand. Indeed, both of those elements might arise, as there might be a reduction in business rates because of the closure of a business and an increase in benefit claims because the people employed by that business are now out of work and therefore require help with their council tax. There could therefore be a double whammy. There is no safety net from Government to help local authorities with the second element. Instead, there is only the suggestion that there might be some pooling of risk, which is an unacceptable response to a very serious problem.

3 pm

Mr Kevan Jones: I agree with my right hon. Friend. There is also no detail as to how the pooling of risk will work, such as whether it will be a voluntary system or enforced by the Government. In my region of the north-east, Newcastle and Sunderland would probably pool together only if they were forced to do so by Government diktat.

Mr Raynsford: I am not going to go into the relations between different local authorities. My hon. Friend the Member for Lewisham East (Heidi Alexander) and I are constituency neighbours and I am sure our local authorities would want to co-operate in the most friendly way, although I am not sure whether that attitude would be replicated by all authorities in other parts of the country.

[Mr Raynsford]

I was responding to the comments of the hon. Member for Meon Valley by observing that this change is much more complex than just an annual change in the settlement. Substantial administrative change is involved, too. Capita is a company that provides a lot of revenue services and undertakes benefit work for local authorities so it might be expected to see business opportunities in this change, but it is sounding the alarm about the risks involved in trying to programme this major change on an impossibly tight timetable.

A lot of detail is involved in the specification of the scheme, and the Government will impose the requirements that there are to be no losses for certain categories of participant, no inconsistencies in respect of the universal credit, and no disincentives to work. It is difficult to see how that can be achieved if there is to be a 10% cut in the overall council tax benefit. Pensioners are to be entirely protected and they represent more than a third of recipients, so it is hard to see how the other recipients, those of working age who are in employment or looking for work, will not be subject to cuts. How can a commercial company, such as a software firm, that is helping local authorities to prepare to administer these schemes possibly get arrangements properly in place under such circumstances? That is the real challenge to the Government.

As I said on Second Reading, the Government are risking a repeat of the fiasco that occurred when the housing benefit scheme was first introduced by a Conservative Government in 1982-83. That was rushed. The detailed specification and implementation arrangements were not available in time and there was chaos across the country. There were appalling examples of people being left without money for weeks and months, and people facing eviction from private homes because they were not getting the benefit they ought to have had. There was huge hardship, and there were also serious problems in authorities throughout the country.

I say in all sincerity to the Government that they are taking a very serious risk in pressing ahead with these changes to a very tight timetable without giving Members the opportunity to scrutinise and question the detailed arrangements, such as the specification of the scheme and the safety net. We are not being given the opportunity to test the provisions so as to find any weaknesses, yet local government will be expected to implement them to an impossibly tight timetable.

I say to the hon. Member for Poole that the Opposition are not using the timetable issue as an excuse. There is a genuine anxiety that is shared across local government. We must remember that the change will affect not only local authorities but their residents. Some 6 million people receive council tax benefit, which is one of the largest numbers of recipients of any category of benefit in the country. All these people are being put at risk by the Government's unwise timetable.

I urge the Minister to give further thought to that point, and to heed the Select Committee's sound advice to defer implementation for a year. I also know that Liberal Democrat Members have reservations, and I therefore urge them to do the right thing by joining us in opposing this rushed and unwise timetable.

The Parliamentary Under-Secretary of State for Communities and Local Government (Robert Neill): It is a pleasure to see you in the Chair, Mr Amess. You and I know something of local government from our experiences of it over the years. We therefore know that the issue of local government finance has been around the houses, as we say in our part of the world, for a very long time. At long last, something is being done about it.

I say to the hon. Member for Warrington North (Helen Jones) that I do not accept the premise that underpins her arguments. Throughout this debate the Opposition have raised specious arguments and engaged in manufactured indignation. The reality is that the Government are bringing forward a serious and important reform, which the Opposition are seeking to delay. That is not in the interests of local government, who suffer under the thoroughly unsatisfactory, opaque and unfair system Labour bequeathed, which denied local authorities the opportunity to have a portion of the business rates localised for their benefit. The Opposition want to delay the introduction of a valuable growth incentive for local government, which would also encourage national growth, so be in the interests of the national economy.

Helen Jones: Will the Minister give way?

Robert Neill: Let me make a little more progress first.

It is a little cheeky of Opposition Members to say that this change is being rushed forward. Much of the first part of the hon. Lady's opening speech was taken up with a complaint that somehow less scrutiny of a Bill is possible if it is considered on the Floor of the House, when every Member can participate, than if it is sent upstairs into Committee. Is there a precedent for that, however? Yes, as a matter of fact there is, and it was under the previous Government. Their Digital Economy Act 2010 had 50 clauses, three of which were taken on the Floor of the House. That did not happen in the early part of the Session either; instead, that contentious Bill was considered in the wash-up. I will not take any lessons from the hon. Lady's specious arguments, therefore.

Helen Jones: As the Minister argues that it is important to get these provisions through quickly to provide incentives for economic development, what does he think local authorities would be doing after they are introduced that they are not doing now?

Robert Neill: The hon. Lady fails to grasp the basic principle underlying the Bill. The problem at present is that local authorities have no incentive to encourage growth. Instead, they potentially have a burden. They have no ability to grow the tax base.

Mr Kevan Jones *rose—*

Robert Neill: I will give way again shortly.

Unfortunately, throughout this debate Opposition Members have articulated their old mindset. It is a mindset that does down local government, and I find that surprising given the experience some Opposition Members have of that. They do not seem to recognise that most local authorities want to advance their local economies even though they currently get no revenue benefit from doing so. We will make a key difference by giving them a tool to get such benefits.

Several hon. Members *rose—*

Robert Neill: I give way to my hon. Friend.

Mr Syms: Is not one of the major changes that there will be an incentive for ordinary rate payers and electors to support a particular scheme? There is currently no incentive for them to do so because there is no financial benefit for people who contribute to local government.

Robert Neill: My hon. Friend is entirely right. Unfortunately, under the previous Government there was a belief that we had to create an increasingly centralised and complex system to deliver results. The party that is criticising us now brought in capping and the comprehensive area assessment, which trammelled local authorities rather than freed them. I can understand, however, why this is a sensitive topic for Opposition Members. In their 1997 election manifesto they said they would localise the business rate, and they spent 13 years not doing so. Some of the principal architects of that commitment are sitting on the Opposition Benches in today's debate, so I can understand that they might have a bit of a guilty conscience.

Heidi Alexander *rose—*

Robert Neill: I shall give way to the hon. Lady, as she may not have been here during that time—although I do not entirely exempt her from what I said.

Heidi Alexander: I certainly was not here when the previous Administration were in government, but I would like to give the Minister another opportunity to answer the question put to him by my hon. Friend the Member for Warrington North (Helen Jones) from the Front Bench about what exactly a local authority would be doing differently under these proposals from what they are doing now. If this is about planning policy, what evidence does he have to suggest that granting permissions for extra commercial floor space results in an increased business growth take?

Robert Neill: The hon. Lady must simply not have been listening to my hon. Friend the Member for Poole (Mr Syms), who made the point perfectly that our proposal is a desirable and a good thing. I know it is difficult for her to get this point, but two things are involved. First, we are giving an incentive back to local authorities. Secondly, we are giving local authorities an additional tool in the box of their financial levers. I would have thought that she would have recognised that from her long experience in local government.

Graham Jones (Hyndburn) (Lab) *rose—*

Robert Neill: I will give way once to the hon. Gentleman and then I shall make some progress.

Graham Jones: The Minister talks about business growth, but given the changes in the national planning policy framework does he agree that this measure may be an incentive to develop commercial premises on greenfield sites, more so than in the past, and that it might override planning priorities?

Robert Neill: Absolutely not, and to see that the hon. Gentleman has only to think about two things, the first of which is planning policy. Any planning application has to be in accord with the planning policies that are set out—both in the local plan and in our new national planning policy framework—which give protection against ideas such as he mentions. Secondly, we cannot create a market and demand where there is none, although perhaps he does not get that fact, and so neither of the things he mentions would occur. Our approach enables and incentivises local authorities to work much more closely with their business communities on an ongoing basis.

It is very surprising to hear such a degree of criticism from Labour Members, because they need only look at what is done in most of the United Kingdom's competitor countries to see that, in general, a closer alignment of local funding mechanisms with local business growth advantages the local economy. That is a basic proposition and they just do not seem to want to take it on board.

Bob Blackman (Harrow East) (Con): Unfortunately, this debate seems to have got muddled and become a discussion of two lots of dates. One relates to the retention of business rates, a move which I wholeheartedly support; I believe that we should get on with it as fast as we can. However, we also need to address the issue raised by the right hon. Member for Greenwich and Woolwich (Mr Raynsford) about the implementation of systems to provide council tax benefit. Hon. Members from all parts of the House, and those in local government, have genuine concerns about that implementation and about the ability of local authorities to develop the systems to provide the localisation of council tax benefit. Will the Minister give an answer on that issue?

Robert Neill: I shall deal with both those points and give a little detail as to why the suggestion that we are rushing is not well-founded. It is worth remembering that the Government consulted widely on this proposal, and let me deal first with the point about business rate retention.

Last year, we set out a detailed consultation document outlining our proposals, and the local government information unit has recognised that we have amended a number of our proposals on tariffs, set-asides and top-ups to reflect those matters. We issued eight highly detailed technical papers, to which we received some 461 substantial responses. The idea that there has not been very full engagement with the local government sector simply does not hold water. Indeed, there have been collaborations and discussions between officials of my Department and the local authority organisations throughout the process. To deal with the design of the systems and the regulations that go with them we have set up an official-level working group, which includes representatives of the Department, the Local Government Association, the Society of District Council Treasurers, the Society of County Treasurers and the other financial bodies—so the point is specifically being worked on. The timetable is challenging, but the ability to return a proportion of the business rates to local government is a really important tool, not only to give local authorities greater resilience in their funding streams, but for ensuring national growth.

Graham Jones *rose—*

Robert Neill: I have given way to the hon. Gentleman once already.

It is also worth remembering, in the context of other points made, that we are sticking to the existing timetable that applies to the local government finance settlement process. I understand the frustrations of my hon. Friends

[Robert Neill]

the Members for Bradford East (Mr Ward) and for Portsmouth South (Mr Hancock) about the suffering that everyone in local government has undergone in the past few years, but I do not think that keeping the current flawed floor blocks and formula grant model for another year would benefit anyone. I can certainly assure them that we will work with the local government sector and the professional members and officers as we go forward.

Before the new scheme is introduced in April 2013, local authorities will be consulted on their baseline funding at the end of 2012, and after a debate in this House, where scrutiny will be provided, they will receive their final settlement early in 2013. So there is no change to the current timelines that local authorities have to work on. Of course there is plenty of precedent for developing regulations as the Bill is taken forward, and they, in turn, will be subject to scrutiny in this House. This is an enabling Bill, just as the Local Government Finance Bill was in 1988; we are following the precedent.

3.15 pm

Helen Jones: This interesting debate has had some detailed contributions from my hon. and right hon. Friends, many of whom have extensive experience in local government. All we have really heard from Government Members is the hon. Member for Poole (Mr Syms) saying, "These are the normal Opposition tactics." It is quite right for an Opposition to highlight flaws in a Bill, and this Bill is full of flaws. The Minister gets very excitable but he has not provided an answer on these flaws. He will not provide an answer as to why it is so important to get these provisions up and running in 2013 and what local authorities would do differently in terms of economic development then from what they do now.

Robert Neill: Why did the hon. Lady's Government never follow through on their election pledge and localise the business rate, when they had 13 years to do so?

Helen Jones: Coming from a member of the party that nationalised the business rates in the first place, that question shows real cheek. It is no good the hon. Gentleman getting so aggravated now when his party nationalised the rates in the first place.

The Minister will not answer questions on other points, either. He will not answer the question about the lack of certainty for local authorities in the provisions. He knows that it might not be possible to bring them in on time, and so does the Secretary of State, as clause 1 retains the power to delay implementation. If the Government were confident about being able to bring the provisions in at the right time, they would not need that power.

My hon. Friends have made the case very clearly for how complex and opaque the proposed change is, for the risks it poses to the whole local government system and for the unforeseen consequences that might result. I have heard nothing from the Minister to change our minds, so we will therefore seek to press the amendment to a Division.

Question put, That the amendment be made.

The Committee divided: Ayes 246, Noes 316.

Division No. 424] **[3.18 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blomfield, Paul
Blunkett, rh Mr David
Brennan, Kevin
Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Byrne, rh Mr Liam
Campbell, Mr Alan
Campbell, Mr Gregory
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Connarty, Michael
Cooper, Rosie
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dodds, rh Mr Nigel
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hancock, Mr Mike
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hepburn, Mr Stephen
Hermon, Lady
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric

Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Long, Naomi
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McCrea, Dr William
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Paisley, Ian
Pearce, Teresa
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Ritchie, Ms Margaret
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Dame Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Simpson, David
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Wicks, rh Malcolm
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Tom Blenkinsop and Mark Hendrick

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Bellingham, Mr Henry
Benyon, Richard
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Burt, Alistair
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Sir Roger
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Hemming, John
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica

Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Luff, Peter
Lumley, Karen
Macleod, Mary
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Sir Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shannon, Jim
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Sir Robert
Soames, rh Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swayne, rh Mr Desmond
Swinson, Jo
Swire, rh Mr Hugo
Syms, Mr Robert
Tapsell, rh Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mark Hunter and
Jeremy Wright

Question accordingly negatived.

Question proposed, That the clause stand part of the Bill.

The Temporary Chair (Mr David Amess): Before the debate starts, I should tell the Committee that I was fairly lax about the range of the debate that we have just had, so if hon. Members wish to contribute to the clause stand part debate, I hope they will bear that in mind.

Robert Neill: I will endeavour to deal with the clause stand part debate as swiftly as I can. Clause 1 sets up the necessary part of the scheme. As is often the way with a finance Bill, it establishes the framework, which is then covered in the regulations. Schedule 1, which we shall come to shortly, sets out most of the detail. I suspect that the issues between us have largely been debated in relation to the amendment and the principle. I am happy to respond to any points that hon. Members may wish to raise.

Helen Jones: The Minister is right to say that the clause sets out the framework for the Bill, and that earlier we debated most of the issues between us. I welcome the fact that the regulations will be subject to the affirmative resolution procedure in the House. That is helpful, but we stick to our view that the Government are trying to introduce the provisions in the Bill too fast and that there is still a great deal of uncertainty for local councils. We will debate those issues on further amendments so I shall not detain the Committee now.

Annette Brooke: I want to place on record, in the debate on clause 1, how important it is to reform local government finance, to do it in a timely fashion and to do it in such a way that it both incentivises and equalises. Those principles are firmly embodied in the framework. We have heard it said that the retention of business rates will not incentivise. I wonder why the previous Government introduced LABGI—the local authority business growth incentives scheme—which rewarded local government for business expansion, but not very efficiently. It was not a built-in system, which has to be better. I therefore found some of the comments odd, in the light of that recent policy.

Mr Dave Watts (St Helens North) (Lab): There is general consensus that the local government system of funding needs to be reviewed, but does the hon. Lady agree that people will be suspicious if that has not been done through independent analysis and by people who can be trusted to make the right decisions? That is what previous Governments have done and is exactly what this Government are not proposing to do. They intend to impose a system that has not been scrutinised.

Annette Brooke: I believe the Minister explained earlier how the detailed proposals would be scrutinised later in the process of setting the 2013 terms of the revision. What I want to see in the end is a more transparent

scheme. That is extremely important, so that local councils are not continually trying to find little bits here, there and everywhere that they can come up and lobby about. We need clarity. I am pleased with the framework.

Robert Neill: I agree with my hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke). It is important that we move forward. The hon. Member for Warrington North (Helen Jones) is right. The affirmative procedure will apply to the matters that come under the Bill. It is worth saying that the degree of transparency on the one hand and fairness on the other is governed by, for example, the changes to the central and local share split, which will come through shortly, and the operation of the tariffs and top-ups. Those will be included in the local government finance report, and that too will be subject to parliamentary scrutiny in the usual way each year, so it is a clear and transparent system.

Mr Raynsford: What circumstances led the Government to include subsection (7), which allows the Secretary of State to substitute a later financial year for the implementation date of the Bill, and in what circumstances might they make use of it?

Robert Neill: That sort of belt-and-braces procedure is not at all uncommon. It is our firm intention to press ahead with implementation from 2013 so that local authorities and the national economy can benefit from the Bill. As my hon. Friend the Member for Mid Dorset and North Poole said, the desirability to move to a more transparent system away from the existing model was recognised by the Lyons inquiry, which was set up by the previous Government. It recommended a move towards a localisation of the business rate, and we are taking an important step in that direction.

Question put and agreed to.

Clause 1 accordingly ordered to stand part of the Bill.

Schedule 1

LOCAL RETENTION OF NON-DOMESTIC RATES

John Healey: I beg to move amendment 46, page 11, line 31, leave out 'may not exceed' and insert 'should equal'.

The Temporary Chair (John Robertson): With this it will be convenient to discuss the following: Government amendments 1 and 2.

Amendment 44, page 11, line 32, at end add—

'(5) Such an amount should only be paid in place of other grants to local government if the Secretary of State is satisfied that the overall needs of local government will be met.'.

Amendment 45, page 11, line 32, at end add—

'(5) The amount debited under subsection (3) must not be greater than any amount debited under subsection (3) for the previous financial year.'.

Amendment 19, page 12, line 20, at end insert—

(c) in determining the central share and the local share for any relevant authority, the Secretary of State must have regard to—

(i) the level of need in that authority,

(ii) the likely capacity of the authority to benefit from business rate growth, and

(iii) the council tax base of the authority.

Any assessment of the level of need in the authority shall include—

(iv) the ranking of the local authority in the Index of Multiple Deprivation,

(v) the level of unemployment within the authority's area,

(vi) the proportion of adults with a limiting long-term illness within the authority's area,

(vii) the number of adults in receipt of social care within the authority's area,

(viii) the number of looked-after children within the authority, and

(ix) the level of child poverty within the authority's area.'.

Amendment 37, page 12, line 20, at end insert—

(c) The Secretary of State must for each year, and for the subsequent two years in relation to each billing authority in England, determine an indicative share for the subsequent two years.'.

Amendment 38, page 12, line 20, at end insert—

(c) the percentages referred to in (a) and (b) above shall be determined following full consultation with local government.'.

Amendment 36, page 13, leave out lines 1 to 4.

Amendment 39, page 15, line 17, leave out from 'must' to end of line 19 and insert

'prepare and publish an assessment of the level of need in each local authority, as defined in paragraph 4(c) above. The Secretary of State must—

(a) lay the report containing the assessment before the House at least 14 sitting days in advance of the publication of the Local Government Finance Report, and

(b) notify such representatives of local government as the Secretary of State thinks fit of the publication of the report on need and the detail of the basis of calculation in the Local Government Finance Report.'.

Amendment 26, page 17, line 37, at end insert—

'(4A) The Secretary of State must also lay before the House of Commons his or her assessment of the impact which any such report will have on the level of service provision in any local authority to which it applies.

John Healey: It is a pleasure to serve on this Committee of the whole House under your chairmanship, Mr. Robertson, and that of your colleague, Mr. Amess.

Amendment 46 is a probing amendment in an important group of amendments that the Committee will discuss. I have a number of questions for the Minister, which I hope he will be able to answer when he replies, but if not, I hope that he will answer in writing, as would usually be the case. I notice that two of the amendments are among the 17 that the Government have already tabled at this very early stage to their own Bill. In this case they correct not just drafting errors, but quite serious errors in basic sums. The Minister can speak to those himself when he contributes to the debate.

Amendment 46 and the rest of the group reflect four consistent concerns about this part of the Bill on business rates. First, it will create a greater uncertainty for local government in its flow of funding and its ability to plan financially, and therefore its capacity to cope with the funding squeeze now and foreseeably in the next few years. It undermines an essential stability in funding for sensible longer-term planning and sensible long-term service reform and change.

[John Healey]

Secondly, the amendments reflect the distrust of central Government with regard to the use of the business rates funding stream as a cash cow to help to cover the cost of failures in economic policy when revenue streams from other sources fall off, as we have seen during the last 12 months.

3.45 pm

Thirdly, they reflect unease that central Government will make decisions without local authorities, the people affected or this House being properly consulted or given an opportunity to make their views known as part of the process. Fourthly, they reflect a concern that many of the most important decisions in the operation of the new system will be made by central Government, rather than local government. I recognise that there is localisation in the Bill, but too much of it is the localisation of risk and responsibility, rather than of resources, and too much of it is central Government offloading blame for potential service cuts and service failures in future.

The all-party Local Government Association has stated:

"What councils, their residents and local businesses want is a fair and simple funding system that gives councils greater financial autonomy, supports local services and encourages economic growth."

We all back that aspiration, but there are doubts that the Bill will achieve any of those aims effectively, let alone all of them. London Councils, which supports the changes in principle, is even more direct in its criticisms. Among its reservations, it states in a briefing for Members that

"the Bill as drafted creates a fiendishly complex system in which the level of the business rate incentive is uncertain and unpredictable—this undermines entirely the Government's aims of promoting local economic growth via the business rate base and delivering a clear link between local authorities and local businesses."

The concern at the heart of amendment 46 relates to the difference between the total payments from local businesses via local authorities in respect of the central share, set out in schedule 1 in proposed new paragraph 2(1)(c), and the central allocation of those funds for local government use, set out in proposed new paragraph 2(4). The concern is that the difference between those two totals will in future be taken by the Treasury. The concern is shared by the normally cautious LGA, which states:

"Local Government will not have access to the full real terms growth in business rates in 2013-14 and 2014-15 through the mechanism of the 'set-aside' even though they will now use proportional shares rather than a government forecast."

However, my concern is about what will happen beyond 2014. On that point, the LGA states:

"The Government's proposals indicate that the set-aside will continue beyond 2015. There is little rationale for this, as the main justification for the set-aside was to ensure that the scheme functions within the spending control totals issued in 2010"—

meaning the Government's spending review—

"and therefore works alongside the deficit reduction programme. Continuing the set aside beyond this point reduces the incentive to grow business rates and acts as a form of central government control in a system which is designed to do the opposite."

That means that in future a locally raised revenue stream will be appropriated centrally to cover costs currently borne by the national Government. In other words, it will create a slush fund for the Chancellor for the first time in 2015, which incidentally is likely to be a general election year.

I have several further questions for the Minister. What is the projected yield from business rates in 2015 and for each of the following five years? Secondly, what falls within the definition of

"for the purposes of local government in England"?

Those are the purposes for which the Bill allows the Government to use any surplus yield. Thirdly, what guarantee is there that the Government will not use this funding stream as a substitute to cover the costs of their current funding responsibilities in policing, employment support services, skills, national housing investment, universities, particularly to support innovation and research and development, health, in particular to cover the costs of elderly people, or housing benefit? What guarantee is there that local business funding, via local authorities, which is designed to pay for local services in the first instance, will not be used to substitute for those central Government costs?

The Bill contains a big change that is being forced through too fast. It is a reform that builds unfairness into the system like a ratchet. It means that in future, essential local services such as care for the elderly and for vulnerable children, street cleaning, waste collection, road maintenance, and fire and rescue services will no longer be funded on the basis of need or population, but on the basis of the ability to raise tax and pay for the costs locally.

Mr Watts: If an area faces the wholesale closure of some of its industries, that obviously creates demand for the local authority's services. Is it not a fact that such a local authority will lose money by the transfer to central Government and through the loss of business rates, and will therefore be less able to respond to the needs that are created by the wholesale closure of those industries, which we have seen in parts of the country?

John Healey: My hon. Friend, as a former leader of St Helens council, knows a great deal about the local government finance system and the pressures on local government. He may not have heard my right hon. Friend the Member for Greenwich and Woolwich (Mr Raynsford) in the last debate refer to what has just been described as a double whammy. In other words, there may be a loss of potential income at the same time as, and as a result of, the event that causes a greater need and demand for the services that have to be funded through that revenue stream. That is a concern.

I want to ensure that the Committee is clear that this is a fundamental shift in the basis of our funding calculations and in what local councils in England have to spend. The system will no longer work on the basis of need. It will not take account of the fact that there are three times as many looked-after children in South Tyneside as in Surrey or that there are five times as many children in poverty in Middlesbrough as in Wokingham. It will not take into account the capacity of a local area to raise resources, in particular through council tax. It will not take into account the fact that Bexley and Barnsley have a similar population, but that Bexley raises £37 million more in council tax each year. It will take no account of the fact that Brent has a similar population to Rotherham, but raises £22 million more each year in council tax.

Mr Kevan Jones: Is my right hon. Friend surprised that we are returning to having a Conservative Government who are quite clear that they will reward the areas that vote for them and write off whole swathes of the country, including the north-east?

John Healey: Like my hon. Friend, I am not surprised by that. I seriously question whether the scheme will work even on its own terms, but I support the principle of a system that provides some rewards and incentives to local authorities so that they better support growth in business, jobs and the economy. The cost of doing that in the Bill and under the new system is very great given that they take no account of need or resources, and do away with the decades-old principle of equalisation.

Mike Freer (Finchley and Golders Green) (Con): The right hon. Gentleman knows the high regard in which I hold him from when he was in his former positions in the Treasury and the Department for Communities and Local Government. We had fruitful conversations when he was a Minister and I was leader of a large council. However, I must tell him that Bexley has to raise so much more money than Barnsley because when he was a Minister, he fiddled with the equalisation formula to force affluent southern councils to raise council tax to subsidise northern councils. That is why there is such inequality.

John Healey: The hon. Gentleman has a lot of experience of local government and was a distinguished leader of a council in north, not south London. However, no one could tell that from the comment that he has just made. As to my fiddling the figures in the local government formula, my goodness, many people say that Labour should have learned many more lessons more clearly from the extent to which the Tories did that before 1997.

Bob Blackman: Before the previous intervention, I think the right hon. Gentleman was comparing council tax raised in the London borough of Brent with that in the unitary authority of Barnsley. Has he got figures for looked-after children in those two boroughs? I assure him that the London borough of Brent includes some of the most deprived areas in the whole country and, sadly, huge numbers of looked-after children.

John Healey: The very point that I am making is that the current system, complex as it is, takes account of resources—an area's capacity to raise revenue, especially through council tax—as well as the needs of the population in that area for the essential services that local authorities provide. The formula covers both and is based on the principle that I outlined.

Mr Watts: If the Government were truly serious about taking need and the ability to raise funds into account, they would have had an independent assessment, outside the political arena, to ensure that grants for local authorities in future reflected need. Comments from the Government Members are always about how much one local authority gets compared with another, and always ignore need. The reason for higher funding is that the need exists.

John Healey: Whatever side of the House we are on, we should endorse the principle that objective, sometimes independent, assessment is the basis for better decisions. I have never been one for saying that important decisions, which should be taken by politicians, who then are accountable for them, should necessarily be outsourced to independent experts who do not have the direct accountability that we and members of the Government have, but my hon. Friend makes an important point that is relevant to our discussions. It is impossible to make any sensible assessment, let alone a sound, independent assessment, of what the system will mean for the future. That makes our discussions and the decisions that we are required to make as members of the Committee difficult. We are making big decisions, largely in the dark, and we are being asked to give members of the Government significant regulation-making powers that will define the most important dimensions of the way in which the system works and what is available for people in different areas.

I want to underline the point that spending to meet increased need in future will have to be funded by the business rates increase. The council tax freeze and referendum start to remove that as a realistic alternative source of additional funds.

4 pm

George Hollingbery: I am in the Committee as much to learn as to speak to the amendments and would welcome a refresher. The right hon. Gentleman makes the case that there is no accounting of need in the future funding system. My reading of the Bill is that there is. He can argue that the reset period is too long, but there is a reset period—of 10 years—and therefore, need will be reassessed. Likewise, there is a safety net, such that if the business rate increase in a certain area goes a certain amount below the retail prices index, the Government will intervene. Is that not the same as a needs assessment?

John Healey: The hon. Gentleman is right—there will be resets—but we do not know after what period or on what basis, so there is no guarantee that the accounting of need in the current system, which will be frozen at the point when the new system starts, will be reflected in a formula for, assessment of, or decisions on resetting. He might want to pursue that point with his hon. Friend the Minister.

Andrew Gwynne: My right hon. Friend makes an excellent point, but does he share my concern that, if, as is suggested, the reset period is set at 10 years, the gap between the poorest and the most affluent authorities will widen and the disparities will worsen in that period? Does that not reinforce his argument that need must be a fundamental part of the overall formula, as does the capacity to raise additional income using the council tax and the council tax base?

John Healey: My hon. Friend is right—I am about to make a similar point on relatively affluent areas becoming relatively more affluent under the proposed system.

The Government's declared intention is for a 10-year gap between resets. I have my doubts about whether a reset after that period will be capable of restoring a proper reflection of need or a proper fairness in the system. We will speak later to amendments that would create much shorter reset periods, but they would not change fundamentally how the system will work to build in an advantage for already affluent areas with a higher business base. That advantage will just get bigger over the period between resets.

Mr Clive Betts (Sheffield South East) (Lab): It is very easy to talk about resets here and now as an academic exercise, but when the time comes to do something that fundamentally alters the tax take of different authorities up and down the country, Governments of any persuasion might think twice. We should perhaps think of the history of council tax revaluations. They are not easy, but they have an impact on individual councils, and they are sometimes dismissed.

John Healey: My hon. Friend is really saying that we have not had a council tax revaluation. The problem he describes is a problem for any Government, but Governments will experience a similar problem with business rates as a result of the Bill.

Andrew Gwynne: My right hon. Friend rightly talks of the unfairness of the possible reset in 10 years' time exacerbating the problems for local authorities, particularly those such as mine, which need the ability to raise income locally and for acute local needs, such as those in Tameside and the Reddish part of Stockport, to be reflected.

In fact, is it not worse than that for such areas? There is almost a double whammy. For those authorities, we must not only get the reset procedure right, but set the initial baseline correctly. All of that is based on the unfair funding settlements and cuts to local authorities such as Tameside and Stockport, but if we get the procedure and the baseline wrong, 10 years down the line, the real unfairness will set in.

John Healey: My hon. Friend makes a powerful point. It is certainly clear from how the cuts to local government have fallen in this Government's first two years that certain areas, including his and mine, have borne a much greater burden than others.

The other part of the double whammy, to use my hon. Friend's expression, is designed into the system, and it should give the Committee cause for concern. It is that the local distribution of the business rates is very uneven. For instance, Kensington and Chelsea has a much smaller population than Rotherham or Barnsley—I represent part of both those boroughs—but raises five times as much in business rates as Barnsley and three and a half times as much as Rotherham.

The opportunities to grow the business base are also uneven. I have looked back at the latest gross value added statistics published by the Office for National Statistics just before Christmas. Last year's figures showed a difference of more than 3% between growth in London and that in Lincolnshire, Cornwall or Merseyside. In other words, it is clear that from year one the gap between affluent and less affluent areas will grow. The business rates base, and therefore income for councils, will grow faster in some areas than others, as it has in the past.

Even if there were the same rate of growth in all areas, the relative size of the business base income, which is higher for some councils than others, would mean a greater actual cash income for some councils. The top-up and tariff system that the Government are designing will reduce, but not remove, that disparity. If it did remove it, it would remove the incentive element that they want to build into the system.

Having been a local government Minister for two years, introduced the first ever three-year settlement for local government and altered the formula to better reflect needs and resources, I know that there are always winners and losers from any change. The whole House knows that. However, the councils that have a big business rates base, a strong council tax take and high levels of growth will be win-win-win councils, and those that do not will find that they are lose-lose-lose councils. That is the unfairness that is built into the design of the new system. It will increase divisions and tensions in our country.

Mark Field (Cities of London and Westminster) (Con): Does the right hon. Gentleman not recognise that the current system also has a whole lot of disincentives for local authorities built into it? Over years gone by, it has disincentivised many local authorities. It is perhaps all too easy to make comparisons between relatively affluent central London authorities and those in relatively long-term impoverished areas of the north of England, but the scheme that is being put in place is intended to challenge those disincentives. Although I accept that elements of it will not provide as much transparency as many of us would like, it is at least a step in the right direction.

John Healey: The extent to which it is a step in the right direction remains to be seen. There is an element of its direction that is right, which is the desire to see greater incentives for local councils to support the growth of their business base, and greater rewards for doing so. How those incentives will work is weak and potentially perverse, but the principle is nevertheless in the right direction. The potential practical problems that we are beginning to tease out are part of the debate that we need to have.

Andrew Gwynne: My right hon. Friend is being incredibly generous in giving way. Is there not another problem that has not been properly addressed in the legislation? It takes no account of the complexities of sub-regional economies. For example, many of my constituents in Tameside and Stockport work in the city of Manchester or other local authorities. The scope for economic development in Greater Manchester is concentrated in the city centre, around Manchester airport, Trafford park, the Trafford centre, the media city and Salford quays, and not necessarily in Tameside or Stockport to the same extent. Although there are facilities for pooling business rates where local authorities agree, if they do not agree, will not authorities such as mine be disadvantaged?

John Healey: They will indeed. As my hon. Friend states, there is a double disadvantage to areas such as his. He paints that picture and concern very vividly.

Graham Jones: My right hon. Friend is being generous with his time. I want to add a third whammy and take up the point made by my hon. Friend the Member for Denton and Reddish (Andrew Gwynne). Large parts of the country will have no incentive at all because they are in shire and district areas, where the district authorities will probably be the planning authorities that will make the business decisions, yet the shire authorities deliver 85% of services, including fire and police services, and might have little say in how much they take from

business rates in terms of business growth. It will be difficult for them to increase their base if district authorities act unproductively or do not co-operate.

John Healey: My hon. Friend is right, and I suspect that it will be one of the Minister's biggest headaches in the system. I doubt whether he will come to the conclusion—although perhaps he should—that the real answer is unitary authorities across the country. *[Interruption.]* But I sense that I may be tempted into territory that falls well beyond my amendment and the whole group of amendments.

Heidi Alexander: My right hon. Friend was talking about the principles and practicalities at the heart of the Bill. Does he agree that the real problem is that because the proposed system is so complicated—with central and local shares, top-ups, tariffs, set-asides, safety nets and levies—the incentive for a local authority to do anything differently could be marginal? Even if we accept that the incentive is there, it is so complicated that councils will not be sure whether it will be worth doing something differently anyway. Is that not the real problem?

John Healey: My hon. Friend is right. She made that point powerfully last week in her Second Reading speech, which was one of the best that the House heard. Whether for children or councils, incentives need to be simple, and the rewards and rules need to be clear, but the system that the Bill will introduce falls far short of those basic objectives for any system of rewards and incentives.

Mr Watts: Is there not another issue here for the local authorities with the lowest business rates take? The Government have indicated that they believe that those local authorities have low business rates take because they are not interested in developing businesses and do not do all that they can to attract businesses to their areas. Does my right hon. Friend consider that perverse, given the problems in areas such as St Helens and many others, including his own? The major concern of local authorities in those areas is to bring in as many jobs as possible, but because of their location, the skills base and other things, it is extremely difficult. It is insulting for the Government to pretend that it is because of a lack of effort by local authorities.

John Healey: A number of colleagues have made that point, about local government in general and their local authorities in particular. It is hard to point the finger at any council and say that it has not bust a gut in recent years to see its economy grow and jobs created, because that is to the benefit of their local area and the local people they serve, and that would also be the view of most Members. I still think there is a case for trying to design a system that rewards local people, via their local councils, where they are successful in that. Under the last Government, we attempted to do that through the local authority business growth incentive scheme. The system that we are now discussing is clearly a new way of doing that, but its fundamental flaw is that it tries to fix the whole funding system for local government at the same time as using the same, single tax stream to create that incentive. The new system is trying to do too much with that one funding system, creating contradictions and tensions, which lead to the sort of complexities that the Minister is trying to counter in the design of the system.

4.15 pm

Bill Esterson: My right hon. Friend makes the point about the new system trying to do too much, which goes back to what my hon. Friend the Member for St Helens North (Mr Watts) said. The evidence is that the potential economic impact of local councils in trying to develop business locally is perhaps only 20% of the total impact, with far more of the impact coming from the private sector. The new system is putting an awful lot of responsibility on to local government for generating new business, therefore putting a huge responsibility for the generation of business rates on to local authorities, when there is relatively little that they can do, particularly in areas such as St Helens or Sefton, or my right hon. Friend's area.

John Healey: My hon. Friend is right. One of the strengths of this debate, as shown by contributions from all parts of the Committee, is exemplified by what he has just said. He has served as a councillor in north Kent and brings that experience and perspective to this debate. He now serves as the Member for Sefton Central, in the north-west of England, and also brings that perspective, reinforcing his point.

I want to draw the Minister's attention to the future position of fire and rescue services. Can he provide me and other Members who are interested with details about his modelling and assessment of future revenue streams? Can he say how many and which fire authorities will be top-up authorities in future, and how many and which will be tariff authorities? There is concern among senior fire staff that if the incentive that this system is designed to deliver works as the Government say it will, the top priority for councils in the future will be those functions for which they are responsible that help to build business growth. However, those who serve in our fire and rescue services—services that do not directly contribute to economic and business growth—are concerned that a consequence of that will be that in future they will not get the priority for funding that the proper protection of their area may deserve because they do not contribute to business growth. Let me quote a chief fire officer who fears that that may—but not necessarily will—happen. He says:

> "I am concerned that the proposed funding model could foster an antagonistic relationship between the fire authority and the local authorities if they begin to see us as a service which takes money from the business rates but does not actively participate in the business growth agenda."

There is a strong case for fire and rescue services to be funded in future on the same basis as the police, with a very clear, consistent and comprehensive assessment of risk, need and resources built into the allocation of funding for fire services in England. What we start to see with the fire and rescue services, in common with the rest of local government, is concern about the uncertainty—what it means, what the funding is likely to be and how hard it makes it to plan sensibly for the future, particularly the ability to plan and manage within diminishing resources, which by and large is accepted. As another senior fire officer told me, stability is the most important factor. The Minister could do the

[John Healey]

Committee and many in local government a favour by giving a clear and strong reassurance this afternoon about the stability and predictability of the system in future.

I am conscious that there are a number of other amendments in the group and that other right hon. and hon. Members want to speak to them, so let me return to my starting-point of amendment 46. It is a probing amendment, but it contains a proposal that all revenue raised from what is a tax on businesses designed to pay for local services should provide funds for local government—not for national priorities or services around which the cloak of local government can be loosely thrown at their funding streams and categorised as local government. Post-2015, this will build in a real localising ratchet. Post-2015, when the business rates take is projected to be bigger than the sums distributed to local councils, it will mean that where central Government want to use funds to cover non-council services, they will have to transfer the responsibility and devolve the power and control for those services to local government in order to use the business rates revenue to help fund them. Thus my proposal will mean Ministers truly putting their money where their mouths are. It will mean putting into reverse the post-war centralisation of government that this country has seen, and it will mean making the localist rhetoric a reality.

Mark Field: I am not entirely convinced that we are debating quite as revolutionary a change in local government finance as the right hon. Member for Wentworth and Dearne (John Healey) would have us believe. As he rightly says, there has been periodic centralisation of local government finance in the post-war period; this Bill is a step, but only a relatively small step, in a different direction.

I am concerned that some provisions will not provide the overall transparency that all of us desire for local government finance. The worry, as we all know, is that council leaders across the country who get and understand the system will then work it to the benefit of their own local authorities, while neighbouring authorities with similar sets of needs will not reap the same benefits. I believe that has been the case since time immemorial, and I suspect it is a problem that exists in any political system. However much we try, it is difficult to discount the articulacy of those who understand and work a system. As I say, I am not as convinced or as concerned as the right hon. Member for Wentworth and Dearne. I hope he will forgive me if I focus my comments on issues that have come from the lobbying of one of the two local authorities in my constituency, and in so far as we work here, we all have a vested interest in this authority—Westminster city council.

Mr Watts: Is not the real worry that unless a duty and responsibility are placed on Ministers to ensure that needs are assessed and catered for within the grant system, which under these proposals they will not be, the worst aspects of the hon. Gentleman's worst fears might come to fruition?

Mark Field: There is a duty, although it will apply to potentially different sets of needs. I think one of the most destructive elements of local government has been the almost constant lobbying—whether it be for three-year settlements or the annual settlements of the past. Although we might return, well before 2022, to specific concerns about elements of need that have rightly been referred to, the idea of having a 10-year period is a positive route forward in providing certainty for local authorities.

Westminster city council strongly supports the principle of allowing local authorities to retain a proportion of the business rates generated in their area—no one seriously suggests that either of my two local authorities should retain all their business rates, although there are common councilmen in the City of London, and members of Westminster city council, I am sure, who would rather like the idea, but even I would not suggest that that would necessarily be an entirely sensible way forward. As other Members have rightly pointed out, local authorities have played an increasingly important and integral role in supporting and growing businesses locally.

Bill Esterson: I am grateful to the hon. Gentleman for acknowledging that the most wealthy local authorities, in terms of business rates, could not possibly keep all those rates. What sensible balance can be struck to ensure that some local authorities do not struggle because of loss of income and that local authorities who are worried, for good reason, have their fears allayed?

Mark Field: I will be coming to that later, and will be asking the Minister to clarify the matter.

I would like the Minister to address a number of concerns. Why have the Government decided to cancel out any natural inflationary growth in the business rates programme? Why are increases in what might be described as revaluation growth not included in the Bill? A major revaluation has particularly affected London local authorities in recent years. Why does the Bill fail to provide for an adjustment in the growth calculation, in order to remove the negative effect of valuation appeals, which might become much more prevalent once the Bill is on the statute book? Under the proposed reforms, every local authority, as has been pointed out, will become a tariff—contributory—or top-up recipient authority, relative to its annual grant. In that regard, I take on board the comments of the right hon. Member for Wentworth and Dearne in relation to the responsibilities on fire authorities. One key question considered through the consultation was whether tariffs and top-ups should be uprated annually by the retail prices index. As the Minister knows, the Bill proposes that business rates will continue to be uprated annually, but taking the same approach to tariffs and top-ups would cancel out any natural inflationary growth that might otherwise have been expected by local authorities.

Why have the Government decided to cancel out natural inflationary growth in business rates? The clauses in the Bill that are subject to consideration today do not allow for revaluation growth, which is regrettable. Inevitably, all Members will use the examples closest to our hearts—our own local authority areas. Westminster city council's total rateable value at the last five-year revaluation—18 months or so ago—rose by some 60%, but the proposed reforms would allow for none of that increase to count towards growth. In many ways, that is a disincentive to doing a lot of the hard work that went on in the second half of the last decade. As a result, local authorities would receive no benefit

for enhancing their commercial environment or making their area a more attractive location for businesses. Having pacesetter authorities with business improvement districts in place at the outset was one of the most important elements of the previous Government's work in that regard. Such authorities will be almost disincentivised and penalised under the proposals, which does not make much sense.

Given that rental and rateable value growth reflect the relative profitability from which central Government benefit through VAT, corporation tax and income tax, will the Minister clarify the reasons why increases in revaluation growth have not been included in the Bill? On physical growth, one key principle of the scheme, as I understand it, is to enable local authorities to benefit from new building and construction. However, as the Minister knows—although he represents a suburban London constituency—here in the capital, the high levels of rateable value reductions that are granted on appeal often wipe out the physical rateable value growth that has been achieved through new build. A great many appeals may be heard following revaluations, and as they are accepted the total rateable value in a billing may be reduced over time. Since those reductions result from errors made by central Government valuation officers, it seems unfair to penalise local authorities for such mis-valuations. We should also note the uncertainty that would be injected into the final settlement, given that one of the main aims of the scheme is to iron out such uncertainty.

4.30 pm

Despite earlier assurances, the Government have failed to provide for any adjustment in the growth calculation to remove the negative effect of appeals, although—dare I say—given the difficult economic constraints that we are experiencing, I fear that there will be an exponential increase in the number of such appeals. It is estimated that Westminster city council has achieved an annual physical growth of about £30 million in rateable value per annum over the last five years, but failure to remove the negative effect of appeals will mean the loss of much of the benefit of that growth, and I suspect that we will hear similar stories from other Members. It is also possible that a significant number of appeals will be processed in 2013-14 and 2014-15 once the valuation office has completed its appeals programme for the 2010 revaluation, and that too could have a significant impact on the final settlement. I believe that the only option for local authorities will be to achieve growth through the adjustment of business rate allowances. The only allowances that authorities are currently permitted to control are discretionary reliefs for charities and non-profit-making bodies, and hardship relief.

Graham Jones: When authorities suffer a significant loss in business rate revenue, there will surely be a downward pressure on what the Prime Minister would describe as the big society, in which rate relief is given to charities, sports clubs and all sorts of other organisations that do social good. In the poorer, more deprived areas that will lose out under the new system, will not those organisations lose out as well?

Mark Field: The hon. Gentleman has almost taken the words out of my mouth. Given the Government's commitment to the big society and to empowering the organisations about which he has expressed concern, removing discretionary awards would be controversial, and—given that they account for only a small proportion of the business rates that are collected—of little use. I hope that we can be given some clarification about why the Bill fails to provide for any adjustment in the growth calculation to remove the negative effect on valuation appeals.

I do not wish to sound too negative myself. Obviously we are trying to make the legislation better, and I think that the principle of allowing local authorities to retain a greater proportion of the business rates that they generate in their areas is a positive step. Nevertheless, the detailed proposals relating to RPI increases, revaluation and physical growth fail to offer the incentives for growth in high-yield areas for which we had all hoped, and I fear that they may result in excessive penalties for such areas. I realise that Opposition Members may view the issue from the point of view of relatively low-yield areas, but I think there is a risk that high-yield areas will not receive benefits for themselves and that, as a consequence, the Exchequer will not receive them either.

Encouraging economic growth at any level is critical to the national economy. Local authorities are uniquely placed to provide incentives for growth in their areas, recognising what will work even in specific parts of a single authority area—I observe a great variance within the 6.5 square miles of my own constituency—and that creates a bedrock for the national economy. I hope that serious scrutiny will be given to the reasons for the Government's proposals, in the light of some of their potentially negative implications for areas that would be expected to generate the most significant growth.

Let me take up the point made by the hon. Member for Denton and Reddish (Andrew Gwynne) about pooling. We are living in a climate in which it will become the norm. I do not wish to pre-empt discussion of an issue that I am sure will be subject to much criticism and debate on the Floor of the House in the years to come, but I suspect that there will also be a reorganisation of local government. I foresee that in particular for London. It currently has 32 local authorities as well as the City of London, and that situation may well be subject to radical reform in the near future.

I hope the Minister gives serious thought to encouraging the pooling of resources. As he will know, in my area the tri-borough arrangements among the City of Westminster, Kensington and Chelsea, and Hammersmith and Fulham have worked well in a number of respect, and it is to be hoped that that continues.

It is in the interests of central Government for there to be pooling, but I fear that the proposals in paragraph 9 of schedule 1 will serve to remove any form of incentive for it. I accept that there will be some additional costs, but pooling is the way forward for many local authorities and the Government should encourage it in this Bill.

I am broadly in favour of the proposals, but I hope the Minister gives serious consideration to the points I have made.

Helen Jones: It is a pleasure to follow the hon. Member for Cities of London and Westminster (Mark Field), who always has something interesting to say even though I might disagree with him.

[Helen Jones]

My right hon. Friend the Member for Wentworth and Dearne (John Healey) gave an excellent speech, in which he set out the reasoning behind the amendments. Our amendments attempt to deal with important omissions in the Bill. There is no mention of levels of need, of the different capacities of local authorities to benefit from business rate growth, or of the different council tax bases of local authorities.

The Government present their case in a way that suggests that there is no difference among authorities, in that they all have the same capacity to raise income and have the same demands on them, and that if a local authority is struggling, it is its own fault and a result of its being lax, rather than of the conditions it has inherited. Everyone knows that that is a myth, but some people are deeply attached to it.

We must acknowledge that the current, admittedly complex, system of local government finance does at least try to take into account the relative needs of different communities and their differing abilities to raise revenue. The Government have sought to erode that in their current local government finance settlement, and the consequent significant reduction in resource equalisation has led to local authorities no longer being able to provide the same level of service by charging the same band of council tax. As a result, the delivery of core services in poorer areas has been hit particularly hard. Despite the Prime Minister's repeated reassurances, we are not all in this together.

The point I have made is very important, because it is about the base from which this scheme starts. Let me make it clear that we are not against incentives for local authorities to grow their economies.

Mr Watts: Does my hon. Friend agree that her point is one of the reasons that the Government do not want any independent assessment of the implications of what they have already done and of what they now propose to do? An assessment would demonstrate that poorer authorities have got poorer and that the richer have got richer.

Helen Jones: My hon. Friend makes a valid point. When discussing the first group of amendments we said that the fact that this Bill is not going into Committee upstairs means that we cannot take evidence on anything. The Government mindset seems to be, "Let's get it in, push it through and not bother to have any proper assessment of it."

Mark Field: The local government finance system may not be quite as complicated as the Schleswig-Holstein question, but is it not a concern that it is none the less very difficult to find anyone who could seriously be said to be independent in this regard? Although I can understand some of the concerns outlined by the hon. Member for St Helens North (Mr Watts), having an opportunity to discuss this on the Floor of the House means that more Members can have their say, and that must be a positive step forward.

Helen Jones: The hon. Gentleman makes a fair point, although I do not believe it is impossible to find independent people in the sector and of course the Government could have taken the Bill into Public Bill Committee and taken evidence, and then had a long Report stage on the Floor of the House to enable Members to participate.

To go back to my point, we are not against providing incentives for local authorities, but we do not believe that this Bill goes about it in the right way. We believe that any system has to be fair and equitable, and must recognise that weaker local economies find it harder to achieve growth and need help to do so. The Government have signally failed to recognise their responsibilities in that regard and we are faced with a "Leave it to Pickles" Bill. The Secretary of State is going to decide who gets what on the top-ups, the tariffs and so on. That is all being left to regulations, with no indication given as to the factors that he will take into account. As I keep saying, there are no draft regulations for us to look at.

Mr George Howarth (Knowsley) (Lab): I apologise for not being able to be here for the earlier part of the debate. My hon. Friend knows my constituency well. Does she agree that unless we make a provision along the lines of amendment 19, which deals with need, the capacity to benefit from business rate growth and the council tax base of the authority, areas such as Knowsley are likely to be badly penalised?

Helen Jones: My right hon. Friend, who has been a doughty champion of his constituency for many years, hits on exactly the point that we are trying to make: unless the distribution of the central and local share is based on a number of factors, inequality will be built into the system—indeed, it is built in already because of the starting point. We do not believe that this approach is good enough. The future of communities and of the services available, particularly to the poorest people in this country, cannot simply be left to chance. If the Government believe in fairness and really believe that they would take into account the factors we mention in any case in determining central and local shares, I cannot see why they would have a problem in accepting our amendment. After all, the Prime Minister and the Deputy Prime Minister told us during their now forgotten love-in back in May 2010, before the romance had gone and they started squabbling, that they

"will ensure that fairness is at the heart of...decisions so that all those most in need are protected."

That is all we are asking for in this amendment and the others that follow it.

Unfortunately, the Bill does not provide that fairness. If it goes through as drafted, service provision will, as my right hon. Friend the Member for Wentworth and Dearne said, increasingly be based on the ability to raise local business rates and council tax. As council tax increases will often be subject to a referendum, most of the demand will be put on local business rates.

Mr Kevan Jones: Does my hon. Friend also recognise that, for authorities such as South Tyneside council, which has nearly 50% of its properties in band A—that compares with a figure of 2% for Kensington and Chelsea—the existing system makes it more difficult to raise any additional money from the domestic side of the rates?

Helen Jones: Yes, my hon. Friend is absolutely right. That is one of the reasons for including the council tax base as one of the measures that ought to be taken into account. I shall say a little more about that later.

Graham Jones: My hon. Friend is very generous in giving way and I am grateful for that. Let me extend that point and return to those made about shires and districts. Where is the incentive in a scenario in which there are a large number of band A properties, for which council tax cannot be used, and in which the receipt will be only 15%, such as in my district authority? It seems to me that the system has not been thought out.

4.45 pm

Helen Jones: My hon. Friend has hit on another flaw in the Bill and that is one reason for our complaining earlier about it being rushed through. Such matters need to be considered in detail.

If service provision is to be increasingly based on the ability to raise local business rates and council tax, this Bill has nothing to say about the levels of need. For example, parts of the area I represent used to be heavily industrialised. It is now a mixed area because a new town was built, but part of it was a mining community and we had heavy industry. Many other local authorities have much worse problems than my area, but all those areas are still dealing with the long-term health issues linked to heavy industry and poverty. That is why in an area such as Halton, a neighbouring authority to mine, one in five of the population has a limiting long-term illness. That is why the north-east has higher levels of deprivation, child poverty and poor health than the English average. Sunderland, for example, has 34 neighbourhoods that are in the top 10% most deprived areas of the country. The legacy of poor health, deprivation and poverty is what many local councils are constantly striving to deal with. There is no lack of effort on their part or lack of will. The failure is not theirs, but results from a long industrial heritage followed by the collapse of much heavy industry in the '80s and '90s.

Graham Jones: My hon. Friend is making a very good point; there is a risk in the system. She mentioned Sunderland—not my area—and Nissan is a very large employer in that region. Who is to say that in five years' time the company will still be present there?

Helen Jones: Indeed—my hon. Friend makes a very good point. Later, we will debate the provisions for safety nets and how the Bill can cope with risks.

Andrew Gwynne: Will not some of the disparities about which my hon. Friend is talking be exacerbated by the new system? The analysis from the special interest group of municipal authorities—SIGOMA—shows that there will be an absolute decline over the next two years in funding across all local authority areas, that by 2015-16 some of those authorities will have recovered their position and that by 2020 there will be a huge disparity between the most rich and the most poor.

Helen Jones: My hon. Friend highlights a real risk of the Bill. All the modelling shows that the gap between rich and poor will become wider. That is a problem because, in my experience, local authorities have worked relentlessly to tackle these issues and to regenerate their communities. It is a long-term project, however, and it is much more difficult in some areas than in others for a whole host of reasons, including poverty, a local authority's inheritance, its location and so on.

Pat Glass (North West Durham) (Lab): Some years ago, I was an assistant director of education in the city of Sunderland and, despite its massive challenges, the attainment of the children was well above that of their statistical neighbours and was close to the national average. That demonstrates that such places can have massive challenges but still deliver well for their communities.

Helen Jones: My hon. Friend highlights the role of local authorities in achieving such gains. I believe that those authorities are constantly working to improve things for their communities and that the assumption underlying much of this Bill—that they do not want to do that—is simply untrue.

Returning to the issue of need, Durham council spends more on older people than a similar council such as Surrey because it has higher levels of deprivation and ill health. That means not only that it faces a greater requirement for social care but that it has fewer people who are able to finance their own care. Fifteen times as many people per 1,000 population receive a community service in Durham compared with Surrey, and 2.4 times as many receive a home care service. That kind of variation in need exists right across the country.

A similar pattern can be seen with children's services and the level of child poverty, which all experts estimate will rise as a result of many of the Government's actions. In Hartlepool, 29% of children are in poverty, whereas in Newcastle the figure is 27%, as it is in Liverpool—more than 91,000 children. In comparison, the figure in Wokingham is 7%. I defy anyone to argue that there should not be some resource equalisation to deal with that, but nothing in the Bill requires the Secretary of State to take account of the level of need when he determines the central and local share of non-domestic rates.

Heidi Alexander: My hon. Friend is talking about the growth in demand for council services that might occur in future and about the need to have some way of assessing that growing demand. It is relevant to services such as adult social care, particularly elderly care, that the geographical distribution of older people in our country is not the same across every local authority. In the shires, for example, there will be more of an ageing population than in my local authority. Does my hon. Friend think it is important to find a way of assessing those differing growth rates in need, which are often for services that are highly resource-intensive?

Helen Jones: My hon. Friend makes the valid point that the need for all these services varies across authorities; more to the point it is not within councils' control. A council cannot control how many elderly people are going to need social care, or how many children are going to need intervention from their children's department. That is the real problem. There are huge variations in demand for children's services and educational services across the country, and that is often linked with poverty.

[Helen Jones]

Middlesbrough, which is the ninth most deprived local authority area in England, has almost seven times as many children receiving free school meals as Wokingham. Almost all councils showed a huge increase in referrals and in the taking into care of children following the tragic baby Peter case, which we all know about. That was not under their control, but the differences between the numbers of children in care across the country are still stark. Surrey has 32 looked-after children per 10,000 population, whereas Wokingham has 22. In Middlesbrough, the figure is 104 and in Newcastle it is 100. In Liverpool, there has been a 60% increase in child safeguarding referrals since 2009-10, whereas the average national increase is only 10%.

Bill Esterson: I keep being struck by the tension between, on one hand, the Government's stated support for localism and the retention of business rates that they want to bring in and, on the other, the retention of powers by the Secretary of State. My hon. Friend is describing extremely well the growing gap among different local authorities and it seems to me that unless the Secretary of State addresses the issues in amendment 19, he will not be able to avoid that growing gap. I cannot understand why the Government would not want to support amendment 19.

Helen Jones: My hon. Friend is right. His intervention highlights the fact that no matter how much we want to make local government finance simple, it is never going to be simple because of the variation in need and the difference in resources. There is a balance to be struck between simplification and unfairness, and we do not think the Government have got that balance right in the Bill.

Some councils are coping with huge demands on their resources. Some form of equalisation will be necessary if, for example, children in poorer areas are not to be placed at risk. The idea that children's services or the care of the elderly should depend on the number of businesses persuaded to relocate to a particular area is difficult to get to grips with.

George Hollingbery: In the debate on Second Reading the shadow Secretary of State said that there were far too many points in the Bill where the Secretary of State could interfere. As I said earlier this afternoon, there are mechanisms built into the Bill that ensure that revaluation and re-rating will take place. We can quibble about the date, but there are provisions to do that. There are safety nets built in. There is also at the first setting of this level of support a built-in bias towards communities that need more, as there should be. A calculation that I did showed that there was one public sector worker for every 88 people in Hampshire, because there is much less deprivation there, and I understand that, but one public sector worker for every 19 people in Manchester. Where we start clearly reflects the level of need.

Helen Jones: I know the hon. Gentleman made a thoughtful speech on Second Reading, but he is wrong on both counts. First, there is nothing on the face of the Bill about resets. Secondly, resetting the whole system is different from the way in which the system is run in the meantime. The baseline has nothing to do with the number of public sector workers anywhere. The baseline is the current local government financial settlement, which we argue is completely unfair to many local authorities anyway.

Andrew Gwynne: Because many of the children's services that my hon. Friend mentioned are statutory, is it not the case that local authorities will have to find the money to provide them? The real pinch will come in the budgets for non-statutory services. There will be huge differentials from local authority to local authority, with some able to provide libraries, parks and other wonderful things, and other local authorities barely able to make their statutory arrangements.

Helen Jones: Indeed. My hon. Friend hits on a point that is important to local government as a whole. Local authorities cannot avoid their statutory responsibilities, so other services are squeezed. In future we may well see richer authorities developing a Pickles park here and there and naming public libraries after this beneficent Secretary of State, but it will be very hard for other authorities.

We have included unemployment in the factors that the Secretary of State must take into account. There are a number of reasons for that. Unemployment increases ill health, it forces more families into poverty, and it is an indicator of the state of business in an area. But high levels of unemployment also increase the demand for local authority services. As one of my hon. Friends said earlier, it will increase the demand for council tax benefit, for example. As more people become unemployed, many more rightly receive discounts on other services, such as leisure services. So unemployment increases demand at the same time as locking the authority into a cycle of falling revenue.

The theory behind the Bill is that local authorities can resolve that problem simply by expanding their business rate base and attracting more jobs. This was the theory that the Deputy Prime Minister set out when he explained the Government's proposals to council leaders. He said:

> "The new system will start on a level playing field—where you progress from there is up to you."

It is a wonderful thing to be a Liberal Democrat. They can conduct politics exactly as if they are writing a "Focus" leaflet. But in the first place, there is no level playing field. We have debated endlessly what we see is the unfairness of the current local government financial settlement, which forms the basis for rate redistribution and penalises the poorest local authorities most. The simplest statistic is the most telling and it bears repeating. The 10% most deprived authorities lose four times as much as the 10% least deprived. The cumulative cuts in per capita spending hit the poorest hardest.

5 pm

I quoted some statistics on Second Reading, but let me quote a few more now. By 2012-13, South Tyneside will have lost £183 per person in spending power and Middlesbrough £156. The national average is £47. The average in the south-east is £31. A few councils actually gain. Basingstoke and Deane gains more than £6 per person. But the Government simply refuse to look at local council resources as a whole, and inexplicably they

refuse to consider the varying council tax yields from local authorities, which is why we want to put that in the Bill.

In the north-east, 85% of properties are in bands A to C. In Surrey, 75% of properties are in band D and above, compared with just 9% in Sunderland, which means that it will raise a lot less from the same level of council tax. For example, South Tyneside has 66% of its properties in band A, and its council tax base per person is 0.2966. In Kensington and Chelsea, fewer than 2% of the properties are in band A, and the council tax base is 0.5524. From a national standard band D tax of £1,439, Kensington and Chelsea would raise £795 per person, South Tyneside just £427.

Earlier, my right hon. Friend the Member for Wentworth and Dearne picked up the Bexley and Barnsley problem, where Bexley and Barnsley have a similar population, but Bexley raises about £37 million a year more in council tax. As I said, resource equalisation used to try to compensate for that up to 2010-11, but it is now being eroded. Inequalities will be entrenched unless these things are taken into account when the central and local shares are decided.

I come now to the second of the Deputy Prime Minister's assertions, which was that once the scheme had started, how far a council progressed was up to it. I do not believe it is, and that is why we would like to put the ability to benefit from business rate growth as one of the factors to be taken into account in the Bill. First, such a statement ignores the Government's responsibility for promoting growth. It has been estimated that 80% of growth is down to Government actions, and only 20% down to what the local council does.

But it also ignores the fact that many areas need infrastructure investment in order to grow. For example, Northumberland, the most beautiful county in England, has a sparse population, a large part of its area is national park, thus restricting the kind of development it can have, and it has a poor infrastructure. It needs national investment in that infrastructure in order to grow. That some local authorities find it easier to grow than others has to be recognised and provided for in any system of distribution.

It is no good the Government simply pointing to their proposals on tax increment financing as a solution. TIFs cannot provide a high-speed rail link to the north-east. They cannot give it a big new road system. Yet transport is the key to unlocking some of the regional inequalities in the economy.

Secondly, we have to acknowledge that for a number of reasons it is much easier to attract new businesses to some areas than to others. Westminster is a prime example. It has a multi-million pound base of national and international company headquarters. It is much easier for them to attract new investment than, say, Consett.

Cambridge has a wonderful high-tech hub centred on its university. Because in business like tends to follow like, attracting more businesses is much easier for such places than it is for local authorities starting from scratch. My hon. Friend the Member for Lewisham East (Heidi Alexander) gave a good example in her excellent speech on Second Reading. She suggested that Catford was less likely to develop in the way that Old Street had because Catford was not on the tube map, and that makes things more difficult.

The Government say that this issue will be dealt with by their proposed levy system, but they suggest that the levy will take back only a proportion of disproportionate growth, rather than compensate for it completely, so inequalities will grow, and they will grow even if the top-ups and tariffs are uprated by the retail prices index, as was noted earlier. It is estimated that, even with the uprating, the cash funding growth over four years could be 139.6% in the City of London, but 21.1% in Bury. It could be over 90% in Westminster, but 21.9% in Knowsley. The reason is obvious: a highly geared authority with an existing large tax base, relative to its funding levels, will do better from a business rate retention scheme than an authority with a lower tax base even if the rates grow by the same percentage.

The Government have recognised that in part through their proposed levy, but it will not compensate for all the unfair growth. We believe that it would be fairer and better if the local and central shares were decided on the basis of all the things listed in the amendment, especially an assessment of need.

Bob Blackman: I am listening with interest to the hon. Lady's explanation of the amendment. It suggests a whole series of different factors that the Government would have to take into account in deciding how much money a local authority would be given. Who would conduct that assessment? Would it be the Government, some independent body, the Opposition or the whole House? Otherwise, the amendment would simply put into the Secretary of State's hands the power that she is accusing him of taking already in the Bill.

Helen Jones: The hon. Gentleman makes an interesting point, as an independent assessment would be a good idea. However, assessments of local authority need are already done by the Department for Communities and Local Government, so I see no reason why they should not be done in future. As he will hear when I move on in my speech, we have tabled further amendments requiring the report to be laid before the House so that it can be debated.

Amendments 37 and 38 would require the Secretary of State not only to announce central and local shares for each authority for a year, but to give indicative totals for the following year after consultation with local government. Despite the Government's rhetoric, the Bill is a hugely centralising measure, as the Opposition have said several times. We are seeking to mitigate that by inserting a requirement that the Secretary of State consult local government before making his decision, which seems fair and proportionate and reflects the fact that what we are engaged in is a partnership between central and local government.

Amendment 37 would require the Secretary of State to give an indicative announcement for the subsequent two years to allow local councils to plan their services and make the right preparations, rather than working from year to year. Recently, all parties seemed to have accepted that it is much more sensible for local government finance announcements to cover a number of years. The previous Government introduced three-year settlements, and even this Government announced a two-year settlement, knowing that they expected to change the system.

[Helen Jones]

Amendments 37 and 38 simply attempt to introduce a little more certainty into a very uncertain system. They would not change the power of the Secretary of State to decide the shares and they seek only indicative shares, not shares set in stone. In our view, that would produce better governance in local authorities and help them to plan. As it is, the Secretary of State can change the shares from year to year with little warning for local authorities. As we require local authorities to deliver statutory services, as has been said, we ought to allow them to plan the support that their community needs. Local authorities are constantly lectured by Ministers about the need to manage their resources, yet how can they manage their resources properly without any indication of how their finances will change from year to year?

Amendment 36 is merely a probing amendment. It is designed to tease out an explanation for the wording in the Bill. The Government intend to determine the baseline for non-domestic rate income in an authority by using the total that would be payable if it had "acted diligently". We would like clarification from the Minister of what is meant by that. We all accept that an authority has to have an efficient collection system and that it should pursue debtors vigorously. However, what happens if an area finds itself in difficulty and its businesses are struggling because of the Government's policies? Many businesses are in that position now and are finding it difficult to pay their rates. Is an authority expected to pursue such businesses to the limit? Will a council be penalised if it offers more discretionary reliefs? We would like clarity on that. We would also like clarity on the position of councils generally in offering discretionary rate relief. For example, will a council be penalised if it offers rate relief to too many non-profit organisations? Will "too many" be defined somewhere by the Secretary of State? What will be the position on hardship relief, which is also discretionary? Will a council in a difficult situation that tries to help local businesses be penalised because its baseline is set much higher than its actual income?

If I move on to amendment 39, I might be able to answer the point made by the hon. Member for Harrow East (Bob Blackman). We believe that it is vital that the Secretary of State not only makes an assessment of need before setting the central and local shares for each authority, but publishes that assessment and lays it before the House. That would bring transparency and openness to the system. We want the debate on the local governance finance report in the House to be informed by information on the level of funding for local authorities and the level of need within them.

There are, of course, variations in services because there are variations in circumstances. The main difficulty in dealing with local government finance is the belief held by many people that they should get roughly the same from certain services wherever they are because, as they see it, they are taxpayers and ratepayers. Elderly people who need care in their own homes have a reasonable expectation that they will get a certain standard of care wherever they live. If anybody was told that they could not have that standard of care because businesses had not grown enough in their area, we would soon hear from them. It cannot be right for looked-after children in Middlesbrough to receive a different standard of care from children in another authority.

By requiring the Secretary of State to prepare and publish a report, the House would be able to take account of the needs of groups that are not the most vocal, especially children and the elderly. Those groups do not always have access to journalists to argue their case. When they are written about, it is sometimes as if they are a different species. Many such people do not come to our surgeries or write to the local newspaper. After all, a society is judged not by how it treats its most affluent people but by the way in which it treats those most in need and those without a voice. We tabled amendment 39 to ensure that those matters are debated, and we hope that the Government will accept it.

5.15 pm

We tabled amendment 26 to ensure that the level of service provision is taken into account when any amending finance report is placed before the House. We accept that all Governments need amending reports from time to time. Local authorities make representations about the basis of calculation, and sometimes simple errors are discovered—we have all experienced that. Yet we also believe that the system that the Government propose is so complicated that it has an in-built capacity for error. There is a real possibility that those errors could be substantial. London Councils called the proposed new system "fiendishly complex", and there are good reasons for believing that, in many ways, it is more complicated than the current system. That complexity, coupled with the lack of any consideration of need in the Bill, makes it possible for any amending report to have a real impact on services in a local authority. There will be more volatility in the system, and we believe that the House should have an opportunity, when it receives an amending report, to debate it along with the impact on services. We hope that the information would be put before the House in advance of any debate. The two reports taken together would provide Members with the information they needed to debate the subject sensibly.

I hope that I have explained the thinking behind the amendments. It might be useful if I notify you now, Mr Robertson, that we will seek Divisions on amendments 19 and 39. I commend the amendments to the Committee.

Bob Blackman: It is a great pleasure to serve under your chairmanship again, Mr Robertson. It is also an honour to follow the hon. Member for Warrington North (Helen Jones).

The key issue is that local government finance has changed radically and dramatically in the past few years. I congratulate the previous Government on introducing three-year settlements. Having served in local government for some 24 years before becoming a Member of Parliament, I know that the certainty that gave local authorities was extremely welcome. However, the financial arrangements have changed dramatically and will do so again.

I can speak for London authorities. The average London authority has £1 billion in revenue going though its books. It has discretion over probably only a quarter of that because roughly a third goes on housing benefit and 40% goes on education spending—schools and colleges. Now, that 40% for education passes through with the local authority doing virtually nothing but act as an agent of the Government in putting the money into the hands of the schools. Equally with housing benefit, under the proposed change to universal credit,

local authorities will no longer administer that money. However, there will still be the surfeit of discretionary or statutory services that local authorities provide and that need to be funded by them. There will be different streams of income—council tax, other charges that local authorities levy for their services and, importantly, the business rates.

The key issue, which the Opposition have not started to understand or appreciate, is that there is a deliberate and perverse incentive for local authorities to retain deprivation in their areas. If there is deprivation, money flows from Government for that particular purpose.

Several hon. Members *rose—*

Bob Blackman: I will give way in a second. I will cite an example from the past few years, when the previous Government decided to change the rules on the amount of money that was given through the formula for local authorities with large concentrations of black and minority ethnic communities. All of a sudden, funding for local authorities throughout the country with large BME populations would have been decimated because it was one of their great income streams. Huge lobbies took place and the Government backed down.

Mr Kevan Jones: I am interested in what the hon. Gentleman is saying. Can he give a specific example of a council anywhere, irrespective of its political persuasion, that has wanted to turn prosperity away from its area?

Bob Blackman: The key is not that local authorities turn away business or prosperity; I am pointing out that there is an in-built presumption that areas of deprivation follow extra grant from Government. As a direct result, there has been hardly any change in areas of deprivation across the country. Despite the fact that local authorities—of all political persuasions—with areas of deprivation have had huge amounts of money put in over 30 or more years, those areas of deprivation remain the same.

Heidi Alexander: I am interested in what the hon. Gentleman is saying, because the implication is that local councillors and local authorities want to maintain deprivation in their areas because they get more money into their coffers. Is he really saying that? In my experience, local authorities and local councillors do the jobs they do because they want to make the lives of the people whom they serve better; they are not interested in getting money into their coffers to serve their own purposes.

Bob Blackman: I am not saying that councillors, council officers or local authorities of any persuasion deliberately decide that they want their areas to be deprived. I am saying that there is a perverse incentive for those areas to be deprived. The Bill changes that presumption. It will be for every local authority where there is deprivation to encourage and promote prosperity and businesses to set up in their areas, so that there is a deliberate move to create economic growth in areas that have been unfairly deprived for far too long.

Graham Jones: The hon. Gentleman is being very generous in giving way on that point. I realise that he is under a lot of pressure given the comments he has just made. Does he accept that what we actually see in deprived areas is better partnership working between local authorities and businesses? That is certainly the case in Lancashire. Relationships and partnership working between the business sector and councils are not as good in west Lancashire, which is an affluent area. Councils in the east of Lancashire have an exemplary record, because there are deprived areas that need business. The answer in those deprived areas is not grants from the Government, but businesses, which is why those local authorities pursue that avenue.

Bob Blackman: I recognise that partnership working has almost been forced on local authorities. Some embraced it; others were forced.

Graham Jones: I was talking about deprived areas.

Bob Blackman: That did not happen only in deprived areas. I come from somewhere that had areas of great deprivation and which formed local strategic partnerships and other such organisations. However, those areas still have huge deprivation and are among the most deprived parts of London and the country, even though they have had huge amounts of money pumped into them by Governments of all persuasions. The key issue remains: there has been no incentive for economic growth in those areas.

Graham Jones: The hon. Gentleman makes a self-defeating point, because he reminds the Committee of local strategic partnerships, which were mandated only in areas of deprivation, and to which the previous Government handed out grants. His point is that the previous Government instructed local authorities in deprived areas to work, through LSPs, with the business community and the private sector, and the supply and education chains.

Bob Blackman: I take the hon. Gentleman's point, but we have to consider cause and effect. I do not decry what the last Government instructed local authorities to do, but the key point is that it failed. The areas of deprivation then are still the areas of deprivation. This Government are trying to introduce a direct incentive to business growth and economic growth in those areas and right across the country. They are giving local authorities an opportunity to change their view and see the direct incentive to have economic growth. Local authorities will keep the money, which they can then invest in the local services that people need. That does not mean that there is not a need for national investment in local areas when infrastructure improvements and regeneration are needed, but that is very different from creating economic growth.

Mr Betts: There is a danger that we will get locked into a discussion in which we simply assume that the current system has always been in place. Prior to the poll tax local authorities kept all their business rates, yet since 1945 and probably before, the difference and disparities in deprivation have continued to grow. Local economies in different parts of the country have performed very differently, despite local authorities having had the incentive of business rate retention prior to the poll tax. The hon. Gentleman's argument therefore lacks a little if it is taken beyond the particular complications of the current system.

Bob Blackman: One of the key historical points is that local authorities used to set their own business rates, but then pressure from the House changed that situation for the simple reason that large local authorities saw the opportunity to milk businesses and set exorbitant rates, because business did not have a vote. They could then keep local tax low because they had increased business rates to milk businesses. That was why the national business rates were introduced.

I do not believe that there is an argument for changing the position so that local authorities determine the level of business rates, but there is a very strong argument, which the Government are advancing, for their retaining the money that is collected locally. I believe that the Government are being a bit timid in their approach, because I would like more money to be retained locally, possibly with a slightly less complex formula to make it more transparent. However, I recognise that the Government are taking the first step along the way.

Mr Betts: I intervene briefly on a factual point about what happened prior to the poll tax. Probably one of the reasons why it was brought in was the very large rate increases made by some authorities, such as the one in Sheffield of which I was a member at the time. It is not true that authorities sought to pile all the pain on businesses and keep their other taxes low. Actually, the domestic and non-domestic rates were linked and could be increased only in line with each other. It was not possible to increase one without increasing the other. Domestic ratepayers had a vote, of course, and in many cases were prepared to vote for large increases to protect services.

Bob Blackman: That, of course, is local democracy—if people want to pay higher taxes, they are welcome to do so. I am personally a great advocate of annual elections to local authorities instead of referendums, so that if councillors want to raise local taxes exorbitantly they will be voted out at the ballot box. I therefore take the hon. Gentleman's point.

Heidi Alexander: The hon. Gentleman has argued that incentives have not previously existed for local authorities to stimulate economic growth in their area. He is a distinguished former leader of a large London local authority, Harrow. Given that those incentives did not exist, did he not do anything in his time as leader to stimulate the local economy in Harrow?

Bob Blackman: I was actually the leader of Brent council, not Harrow, but I thank the hon. Lady for making that point. I was the chairman of a city challenge company that was part of the London borough of Brent, and for five years we had Government money flowing in. We retained every job that we had and expanded the number of jobs in the area, but by the end of the five years unemployment in the area had increased, not reduced. We had had huge amounts of money but, perversely, unemployment had risen, which meant that we could go back to the Government and say, "We need more money."

5.30 pm

I will cite another example given to the Communities and Local Government Committee when it considered the matter. When the mayor of Newham was challenged over this cycle of deprivation and investment, he said, "We'd love to be out of the cycle of deprivation. Just not yet. We need another 25 years of money coming in from the Government to enable Newham to grow and develop." But despite the huge investment—because of the Olympics and investment from Governments of different persuasions—it remains one of the most deprived areas in London and the country. My hon. Friend the Member for Lancaster and Fleetwood (Eric Ollerenshaw), who used to lead Hackney council, will attest to the fact that every year in Hackney the local authority was required to identify areas of deprivation and amplify them so that it could appeal to the Government for yet more funding.

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): My hon. Friend is making an important point. Was not one problem that there was almost an incentive for a whole band of an officer class to prove deprivation rather than an incentive to prove and create success? That is how we ended up in this appalling game in London of trying to prove who was the poorest borough.

Bob Blackman: I completely agree with my hon. Friend. I return to my central argument, which is that there was a perverse incentive for deprivation to continue. Here, in the Bill, we are taking the first step—it is not perfect by any means—towards saying, "Instead of failure, success will be rewarded." That is the approach that we seek to take, and it is the right approach to take.

I ask the Minister to consider two final points. First, there is concern about how the scheme will be administered and about its fairness and transparency. It is right that we consider the elements of the scheme and undertake to conduct a review to ensure that it is working appropriately, fairly and transparently, so that not only the House but every local authority in the county can say, "Yes, this system works."

Graham Jones: The hon. Gentleman is being exceptionally generous in giving way. I thank him for that. He referred to success. What does he mean by "success"? Does it mean a local authority that leans back in its chair as a large employer turns up, or a local authority—presumably like the one he ran in Brent—that fights to defend and save jobs? There might not be growth, but an awful lot of work goes in to maintain the position. Which model would he describe as successful?

Bob Blackman: That is exactly my second point. In large parts of the country, particularly in suburbia, there has been a gradual leakage of businesses, as business land—areas designated for business land and investment—have been turned over to housing. There is an incentive for local authorities to do that, because it increases the council tax base and makes it easier for local authorities to get new homes bonus money. It does, however, reduce the business rate income. At the moment, those local authorities suffer no penalty for doing that.

Under the new system, there can still be a leakage of land and employers. I am talking not about a catastrophic failure where one major employer closes down—that would obviously be a huge loss to the local authority—but a gradual process, over a number of years, under which industrial land has been turned over to housing, resulting in a leakage in business rate income. Has the Minister

considered that point? How will it be looked at in the round? I raised the matter on Second Reading but so far we have not had an answer.

Finally, one thing that will be true in this brave new world is that there are risks associated with both the income and expenditure of local authorities. We know that there are huge numbers of demand-led services that every local authority must provide—they have been mentioned already: adult social care, children's care, and so on—and I recognise that. It is also the case that income levels can sometimes be unpredictable. The more predictable they are, the better. However, there is the pooling approach. I wonder whether the Minister can say what directions will be given if certain local authorities just sit back and say, "We're alright, Jack. We're fine. We'll just keep the money. We're not going to pool our risk. We're not going to pool our opportunity. We won't co-operate with our neighbours." That is an important point, which the hon. Member for Hyndburn (Graham Jones) raised. How will the Government direct local authorities to pool resources, in order to spread risk across a number of authorities?

Mr Betts: I want to speak about set-aside—the principle and the calculations—and, in particular, to draw attention to my amendments 44 and 45. This is the first opportunity that I have had during the Committee stage to talk about the new, simplified system of local government finance that the Government are proposing. *[Interruption.]* Is that a smile from the Minister? We have to have a laugh about the terminology, but it was the terminology that the Secretary of State used when introducing the consultation proposals. He called it a simplified system, but I do not think that anybody, even—

Robert Neill *rose—*

Mr Betts: Perhaps the Minister is going to talk about the new, simplified system.

Robert Neill: Perhaps the hon. Gentleman will be glad to know that I was smiling just to say how pleased we are to see the Chairman of the Select Committee on Communities and Local Government among us.

Mr Betts: It is very nice of the Minister to say so, so I will smile in return. However, even he could not rise now and say that this is a simplified system. It is a new system—it is a radical departure—but it is certainly no less complicated than what went before it; rather, it is complicated in a different way.

Let us talk about transparency. By that I mean the possibility that when a development is put forward in part of a local authority area, it is possible to say to residents, "If that development is granted, these will be the financial consequences." There is no chance of that happening with this piece of legislation. It will be very difficult for local authority treasurers to explain to their members collectively what the implications of the new legislation are, let alone for a local councillor to tell residents looking at a planning application, "These are the financial consequences of accepting this proposal."

I have no problem with the principle behind the Bill; indeed, I think there is a shared principle across the Committee. We all realise that there must be more incentives in the system to reward local authorities for encouraging and promoting growth in their areas. There is no problem with that principle at all. The difficulty, which is reflected in the responses to the consultation on the legislation that we are considering today, is that the authorities with a relatively high business rate base, or the potential to develop one and grow their business rate relatively easily, are obviously all arguing for lower tariffs and top-ups, whereas those that have lower business rate bases and more difficulty in attracting growth to their areas, perhaps including those with the greatest need, are arguing for more top-ups and tariffs.

As I said on Second Reading, the Government have a fundamental problem. Because of the effective removal of Government grant to local authorities from 2013-14, they are now trying to use the business rate to do two potentially contradictory things. They are trying to use the business rate as a mechanism to encourage growth and development, rewarding authorities by allowing them to keep the business rates that are raised from development and growth, but they are also trying to use it as a method of redistribution to help authorities that cannot achieve development and growth easily, and that have problems of deprivation. The Government are trying to do two things with one tax, which is a problem. That is why we have such a complicated arrangement.

If there was a separate element of Government grant that could be used for redistribution and if authorities were then allowed to keep their business rates, separately—as was the case with the old system, which we have just discussed with the hon. Member for Harrow East (Bob Blackman)—that would be relatively easy. There would be a business rate that was an incentive and a Government grant for redistribution. The fact is that we do not have the second of those; complications thus arise.

Some of us can remember the GREAs—the grant related expenditure assessments—the SSAs or standard spending assessments and other complicated arrangements like regression analysis that used to be done on all these matters. On every consultation, local authorities in various parts of the country would have different views about the allocation of resources and the finance system—of course they did, and the same applies on this occasion. What the Secretary of State and this Government have managed to do this time, however, is to unite the whole of local government on one fundamental issue—a feat that I do not think has been achieved before by any Government or any Secretary of State in relation to local authority finance.

Every local authority association and every local authority in the country has united against the principle of set-aside. They all view this as central Government putting their hands into the local authority pot and taking money out of it for themselves. When we used to debate local government finance, as we still do, most people rightly assumed that it was a debate about finance for local government. Now the debate is going to be about finance from local government, as local government will be contributing to national Government and the national Treasury. We will no longer talk about a business rate that is collected locally and distributed nationally, but a business rate that is collected locally and spent nationally. That does not strike me as a terribly localist move.

The Government have created a fundamental problem for themselves with set-aside. One can see the Secretary of State sat in his office, snaffling local government

[Mr Betts]

resources and getting into the Chancellor's good books by passing those resources over and saying, "Look, I've done it again, Chancellor. I'm the good guy in all this; I'm giving you lots more money to spend." Perhaps it is more like good cop, bad cop. We generally see the Secretary of State coming along to join the Minister for these debates, with the Secretary of State doing the broad sweep and the Minister knowing the detail. Perhaps they will go along to the Local Government Association in future when the pantomime season is in bloom. The Minister will go along as the wicked uncle, describing how much the set-aside is going to be worth in that year and how much is going to be taken away, while the Secretary of State will come along as the fairy godmother to say, "Look at all the goodies I'm going to give you back when I spend the set-aside. The problem is that when I wave my magic wand, what you get might not be what you thought you were going to get, because the money is going to be spent on things for which you would previously have had a grant." This is the delusion being created.

The reaction on the part of local government is obvious. It says, "You are asking us to accept 28% cuts to Government funding over a four-year period and to cut our fundamental services." Despite what the Minister said to the Select Committee today, there is not a local authority in the country that is not having to cut social services and social care. That is what is happening. At the same time as local authorities are being asked to make profound cuts to front-line services—it is happening to authorities of all persuasions up and down the country—the Government are saying, "By the way, we are now going to take away from local government resources that could be spent on local services, by means of the set-aside."

All this explains why I tabled the amendments. Amendment 44, for example, is an attempt to make the point that something must be wrong when a Government say that they are going to take the set-aside away—irrespective of the real needs of local authorities, which they are clearly unable to meet in the current financial situation.

Graham Jones: On the same argument, would my hon. Friend add to that the housing benefit and council tax cuts, which are on top of the 28% and have a disproportionate effect on deprived areas? Does this not mean that we are talking about cuts of 28% plus—and they are growing rapidly?

Mr Betts: My hon. Friend is absolutely right that we should look at the totality of the effects of the cuts on local authority budgets. Before the Secretary of State takes this set-aside from local authorities, he should look at what is happening to social care and with council tax increases, which authorities will have to impose after the freeze or deferment comes to an end. He should look at what is happening to concessionary travel for young people, which gives them their independence and mobility, and to care for the elderly and to road safety schemes, which cannot now go ahead. He should look at what is happening to proper protection for private sector tenants from rogue landlords, which authorities will probably not be able to fund, or at the diminishing possibility of providing weekly bin collections across the country—something close to the Secretary of State's heart. Before looking at set-aside, surely the Secretary of State ought to consider how far local authorities have been able to meet such needs.

5.45 pm

Annette Brooke: As a genuine point of discussion, let us imagine a situation in which set-aside is used for reasons that everyone could sign up to, and directed to local government services—an ideal world, I admit. Despite our desire to march towards localism, would not holding back on full localisation in the first few years be a prudent approach that would reduce uncertainty?

Mr Betts: I am not sure, because how the set-aside ends up being used is fundamental. Will it simply go to the Treasury, and we never see it again? Alternatively, will Department for Communities and Local Government or other Ministers say, "We used to fund certain council services, and now we will use set-aside for that." It will save central Government money. A classic example is the requirement on local authorities to fund 10% of the cost of council tax benefits in the first year—that will almost certainly rise if unemployment rises. What will stop Ministers saying in future, "We have already established 10%, so next year it will be 20%, 30% or 40%"? That will bring no benefit in council services or to local taxpayers or councils; it is just a saving to the Treasury. From a Minister's point of view, however, it is a neat way of linking two parts of the Bill together.

Graham Jones: Another Treasury or DCLG idea could be to use the set-aside to pay for wasteful weekly bin collections.

Mr Betts: It could be; we are not sure where that funding is coming from. In future, a whole variety of things, such as police grant, could be paid for out of set-aside. Things that Government would have paid for through another source could be paid for out of set-aside, saving the Treasury money. We do not know, because the Bill does not contain the detail. All that we can say is that there will be no power at local level, or among local government collectively, to decide such things. Will there be any power in the Chamber to decide such things, or will it all be up to Ministers?

Mr Ward: The hon. Gentleman makes a crucial point. We discussed earlier the uncertainty around incentivisation—we do not know what that will lead to—but we can completely remove the uncertainty around the levy account and the safety nets in the central share if the Minister makes a clear statement about what they will be used for.

Mr Betts: We could, but I am not sure that Ministers will be able to give such an assurance. I say to the hon. Gentleman that it is his Government who are taking these measures, so he may have more influence over Ministers than those of us on the Opposition Benches do.

Mr Watts: Is it not possible for a future Government to say, "We will use that set-aside money to reduce council tax"? If so, that money would disappear from local authorities' spending level, and overall they would have less money to spend on vital services.

Mr Betts: Absolutely. We just do not know. All the power and the decision making are going to Ministers in a completely opaque way. We have a right to ask certain questions.

The Government initially introduced the principle because the comprehensive spending review, in placing limits on local government spending as a whole, created a problem for them. It was and is quite possible, with the rise in business rate linked to inflation, for the business rate and council tax collection after 2013-14 to amount to more than the spending control totals. The Government had to find a way of dealing with that problem, but there is no reason why it need continue after the current comprehensive spending review round. In future, the Government could make an assessment of the likely increases in business rates on the basis of their new system and accommodate that within the spending control totals, thus removing the need for set-aside altogether.

I understand the difficulties that the Government have got themselves into in the current spending round, but why continue the principle after that? In amendment 45, I have tried at least to raise the possibility of not allowing the set-aside to become an ongoing, potentially increasing amount of money that is decided by Ministers for ever and a day.

Heidi Alexander: London Councils describes the existence of the central share beyond the current comprehensive spending review period as

"a cynical attempt by the Government to limit the extent to which local government can benefit financially from the growth it will drive through its economic development activity and engagement with the business community."

Does my hon. Friend consider that to be a fair assessment of what the Government are doing?

Mr Betts: What the Government are doing is twofold, because two problems are being exacerbated by the set-aside. By limiting the amount of money in the local government system, they are reducing not only the incentives for councils but their own ability to do some redistribution. If they did not use the set-aside and allowed more money to remain in the local government system, they might be able to resolve the conflict caused by their attempt to do two things with one tax. The less tax that they have in the system and the more restrictions they impose, the more that conflict will come into play—the conflict between the retention of money to encourage investment and more growth, and the need for redistribution and the mechanism enabling it to take place.

George Hollingbery: I thank the hon. Gentleman for giving way. He is being extremely generous with his time.

A number of Members have pointed out, both today and on Second Reading, that there is a relatively limited amount that local government can do to encourage business growth. It occurs to me, from a more philosophical viewpoint, that economic growth can be a public good, and that Government investment elsewhere in the economy can allow that growth to go ahead. Is it therefore entirely unreasonable for central Government to keep some of that business rate growth?

Mr Betts: I think it would be considered so by a localist who wants it to be possible for money that is raised at local level to be spent at local level. The complicating factor is that there must still be some element of redistribution. In the past that would have been dealt with by means of a Government grant, but it is now being dealt with through business rates. If central Government take away any element of that business rate growth, by definition they are reducing the incentives to encourage development and reducing the amount of money available for redistribution, thus worsening the problems that they are creating for themselves.

Let me issue a challenge to the Minister. Will there be any limits to, or criteria for, the determination of set-aside in a future comprehensive spending review, or will the Chancellor simply come up with a figure? Will business rates grow according to the level of the RPI, and will the difference between them constitute the set-aside? Will no more thought be given to it than that? Will there be any criteria on the basis of which the Government may review the system annually, or will the Secretary of State simply say, "I am not giving enough to the Chancellor this year, so we will have to amend the set-aside arrangements"?

I return to the question asked the hon. Member for Mid Dorset and North Poole (Annette Brooke). Will there be any criteria governing what the money can be used for? Will it be possible for it simply to go to the Treasury, or will there be some understanding that it will be spent on local initiatives? Will there be some understanding that if it is transferred back to councils to do certain things, they will be given power to do them? It may well be that there are things to be done by local government in the future that are not being done now. We have seen no evidence that any of that will happen.

Will we be given an assurance that the set-aside will not mean a further dispensation of largesse from the Secretary of State and the Minister in the shape of more specific and ring-fenced grants? The Government have almost completely abandoned ring-fenced grants, and I support that as a principle. May we have an assurance that the set-aside will not be used as a mechanism enabling the Secretary of State to say, "Look what I am giving you: more ring-fenced grants and more specific grants"—thus providing a photo-opportunity for a Minister to draw attention to what good things are being done with them by every council in the country?

May we also have some assurances that the Local Government Association and local government in general will be properly consulted on this each year? They should be consulted about the criteria, the proposals and the arrangements by which set-aside will be used and the amounts will be determined. Will there be transparency about where set-aside funding comes from and how it is spent across the country and which local authorities will benefit?

Finally, will we have assurances that this will not be simply a Government matter? This is the House of Commons of a sovereign Parliament. The annual decisions about set-aside and how it will be spent must be subject to discussion, debate and a vote in this House. We must have assurances that the ultimate power will remain with Members of Parliament, not Ministers.

Mr Kevan Jones: It is a privilege to follow my hon. Friend the Member for Sheffield South East (Mr Betts), who is not only a distinguished Chair of the Select Committee, but had a long and distinguished career in local government.

Today's debate reminds me of the Second Reading debate in that, as my hon. Friend said, Members on the Government Benches are trying to have their cake and eat it. They want the nirvana of councils keeping all the business rates while also recognising that there should be some redistribution. The hon. Member for Harrow East (Bob Blackman) made some strange comments about perverse incentives for councils to remain poor. I am yet to meet such a council, but he tried to get his colleagues to help him come up with an example. Councils in my area work very hard to attract business and prosperity, as they want to make their areas not only pleasant places to live in but economically active. The Government talk about localism a lot, but this Bill centralises more powers in the hands of the Secretary of State than any other local government reform of recent years.

On fairness, if we are to have a system whereby the contribution from national Government to local government is wiped out and we rely on business rates to provide the gap in funding, we must address the fact that different parts of Britain have different needs. Amendment 19 is important as it would ensure that that is reflected in the system.

From listening to some Members on the Government Benches, people would think some parts of the north are responsible for their own unemployment. Those Members fail to remember what happened in the late 1980s, when huge swathes of industry in the north-east were wiped out. Many areas are still recovering from that today.

There are also issues to do with population movement, which can lead to extra demands on local councils such as Durham county, where there is a large elderly population and many people who worked in heavy industry. Health needs in such areas are inevitably greater. Moreover, as County Durham is quite a rural community, even those in work often cannot move from place to place as easily as people in large cities.

I give credit to councils of all political persuasions throughout the country that have tried to encourage business into their areas. I am not convinced that keeping a small slice of the business rate is going to have a major impact, however. We should consider what the Conservatives and Liberal Democrats have done in the north-east in doing away with One North East. It was very effective at working with local councils and other partners to get inward investment and business growth. The hon. Member for Cities of London and Westminster (Mark Field) is not in his place at the moment, but he admitted that it is much easier to get business growth in his constituency than it is in mine or in those of many other hon. Members from the north of England.

6 pm

Graham Jones: My hon. Friend raises a crucial point that has not been mentioned—the role of local enterprise partnerships. Lancashire has had a terrible problem with LEPs, which are skewing investment in certain areas and not interested in other areas—those who have been involved have said as much. The role that LEPs play across these district areas is not promoting business in certain parts, and that is having an adverse consequence. How can business be promoted and how can success be obtained in those conditions? Again, the Government are accountable for this.

Mr Kevan Jones: Again, that is part of the contradiction in the Government's thinking and policy. As we have seen, LEPs are toothless tigers. They are not going to produce much growth or investment, as I know from the ones in the north-east. Certain people in the business community are becoming increasingly cynical and feel that LEPs are just going to be talking shops, rather than organisations that will do things to regenerate areas or attract growth.

Amendment 19 refers to "need" and, as my hon. Friend the Member for Warrington North (Helen Jones) said, it sets out the important issues that we need to take into consideration. I know from my north-east constituency that unemployment is a very important issue to take into account. The level of unemployment stands at 11.7% in the north-east of England, which is 3.5% above the national average. As my hon. Friend said, unemployment means that additional services are required and it puts further strains on local councils, which is why it is important to take it into account.

This debate is also about where we start from, which is why it is important to take the council tax base level into account. In the north-east, 50% of properties are in the lowest band, band A, whereas the corresponding figure for Surrey is just 2%, with 75% of properties there being in band D and above. It is very difficult for councils in the north-east to raise extra finance outside the business rate, so we are not starting on a level playing field. Mention has been made of South Tyneside, where 66% of properties are in band A, and that must be compared with the figure for Kensington and Chelsea of less than 2%.

Andrew Gwynne: My hon. Friend is making a superb point about the ability of local authorities to raise income from council tax. Is not a major issue for local authorities such as his and mine the fact that the formula grant for 2013-14 will lock in those very real cuts that such local authorities will have had to face from 2011-12 onwards?

Mr Jones: I am grateful to my hon. Friend for mentioning that, because I was about to discuss the baseline, as it has been set at 2011-12 levels. Durham county council had a grant reduction last year of some £10.9 million, which represents about a 4% loss, and that is now going to be set in stone for the next 10 years. Let us compare that with the situation in Wokingham, in Berkshire, whose authority actually had an increase in its grant of 0.2% and each person living there got an extra 30p in grant.

As I said on Second Reading, it is quite clear—I take my hat off to the Conservatives and do not know why the Liberal Democrats are turning a blind eye to this—that the Conservatives are looking after their own. They used to accuse the Labour party of doing so, but the Secretary of State makes no bones about the fact that he will help the people who voted for him. Does he give a stuff about the north-east and other places? No, I do not think he does.

It is important that we consider need because, as I said and as my hon. Friend the Member for Warrington North said earlier, with unemployment, a more elderly population and deprivation, people use council services more in such areas. Some 31% of the people living in County Durham, for example, live in the top 20% of the most deprived areas in Britain and 21.8% of children in the county live in homes that are classed as in poverty. In Wokingham, that figure is under 7%. The demand for local services in Durham is obviously a lot higher. Likewise, eight people go for every job in County Durham. A good example is looked-after children: in Wokingham, there are 22 per 10,000 children whereas in Middlesbrough, in the north-east, there are 104 per 10,000.

It is not just about the numbers but about the types of services. Elderly care and services for looked-after children are very expensive to provide. There is no cheap way of looking after elderly people or vulnerable children in care, so that puts added pressure on those councils. That must be taken into account in any assessment, as otherwise we will do exactly what my hon. Friend said that we would. We will start from the premise that this Government like to put out, which is that irrespective of where a local government organisation is in this country, there is a level playing field. There is not. Any system must take need into account and that is why amendment 19 is important and why I do not understand the Government's not being in favour of it.

Another issue that we heard about on Second Reading and that we have heard about again tonight is the idea that by retaining a certain percentage of the business rate councils will be able to incentivise and develop business. That might well be the case in some areas, but councils must cater for other factors, one of which is location. My hon. Friend mentioned Consett. Consett has actually done very well in attracting businesses, but it is a damn sight harder attracting jobs there than it is in parts of the south-east and London.

Graham Stringer: Does my hon. Friend agree that a local authority cannot possibly be incentivised to do more—most of them want to do quite a lot—by reducing the overall level of resources? The contention that a little incentive on one hand and a huge loss of grant on the other will mean that they work harder is extraordinary.

Mr Jones: I totally agree with my hon. Friend. It is a double whammy for local authorities, really, as even if they could keep some of the money and use it for incentivisation, the huge proposed cut through the 10% reduction in council tax benefit that they will have to administer will fall disproportionately on areas with large numbers of unemployed people and the elderly. Absorbing that will be very difficult for a lot of councils, certainly in the hard economic times we are in at the moment. As unemployment goes up, the pressures on the councils will increase, too.

Mr Watts: Is it not the case that if a deprived local authority gets less grant, one way or the other, it will still have to provide the key services that my hon. Friend refers to, which will mean that it will have less money for economic development initiatives in its areas? That will go counter to the Government's stated intention for this proposal.

Mr Jones: Indeed. When local businesses in my constituency want to expand, the first thing they will ask is, "Where are the grants?", but there are none any more because One North East has gone and the amount that the council or anyone else has to give to help is usually small. There is a perception that this change will make a real difference to most areas, but it will not; the effect will be marginal at most. My hon. Friend is also right that councils cannot just stop providing elderly care and other services. In the present round of cuts, the problem is trying to explain to people what is statutory and what is not. This Government know exactly what they are doing—*[Interruption.]* My hon. Friend the Member for Blackley and Broughton (Graham Stringer) chuckles, but what I mean is that they know exactly what they are doing politically on this issue.

Graham Stringer: My hon. Friend was going a bit too far.

Mr Jones: A bit far, perhaps. The Government know exactly what they are doing. As I said on Second Reading, their strategy is quite clear: they want to give freedoms to local councils, push decision making down as far as possible and then, when they have cut grants, as they will with council tax benefit and others, they will say to local people, "Well, it's your local council that has to decide how and where the cuts come." The Government will stand back and say, "We're sorry, but it's nothing to do with us." That is the clever side of it. Part of their strategy is about making sure that they save money and cut it out of the system but that local councils, rather than themselves, get the blame for implementing the cuts.

Andrew Gwynne: Does my hon. Friend agree that an unforeseen consequence of the Bill could be that local authorities become overly dependent on one type of economic development—the type they can generate the most from in business rates? In an area such as mine, that would mean an overdependence on retail.

Mr Jones: My hon. Friend makes a very good point. In terms of economic development, local authorities might go for what will generate income rather than what will create the right mixture. Although retail shopping and warehousing produce business rates, they do not produce large numbers of local jobs, but there might be a growth in those types of business in some areas.

We should not be fooled into believing that the Government do not know what they are doing, because they do know. They are passing legislation down to local government and making sure that those in central Government do not get the blame. We need to be saying that these cuts have been implemented because of the Government—including the Liberal Democrats. It amazes me that Liberal Democrats in Durham can complain about the closure of leisure services or a leisure centre while stepping back and saying, "It's nothing to do with us," even though their representatives on the Front Bench in government and others are going through the Lobby to vote for such measures, as they will tonight. Without amendment 19, and without some assessment of need in the Bill, I have little faith that the Government will not do what they have a track record of doing: rewarding the areas that vote for them.

Robert Neill: The debate on these amendments has been lengthy and wide-ranging, and I shall do my best to do justice to the points raised. Some of them were specific, technical and helpful, whereas others seemed to seek to reopen elements of the Second Reading debate and, perhaps, the debate on the finance settlement. I am afraid that sometimes they were rather wide of the mark. In general, I regret to say that I shall ask the Committee to reject all these amendments if they are not withdrawn because they seem to miss some fundamental points. First, the system already recognises a balancing of need and resources: that happens now and will continue to happen. Secondly, if we are to move away from a system of excessive dependency by local government on central Government grant in order to reduce reliance on central Government grant and create incentives for growth at a local and national level, we have to move away from the current, highly centralised system. Nothing has been advanced to suggest that the current system produces the transparency—

Mr Watts: Will the Minister give way?

Robert Neill: The hon. Gentleman has been very vocal, so I shall make a little progress and perhaps give way in due course. Serious points were raised in debate, and I will do my best to respond to them, if I may.

6.15 pm

I accept some of the points made by the hon. Member for Sheffield South East (Mr Betts) and the right hon. Member for Wentworth and Dearne (John Healey) about the objective of, and a desire for, greater localisation, but that has not happened under the current system. Sadly, despite the fact that some Members would deny it, there is force to the point made by my hon. Friend the Member for Harrow East (Bob Blackman) and others that perverse incentives in the current system sometimes lead to perverse behaviour, with more emphasis placed on ticking the boxes that can demonstrate need than harnessing the undoubted energies that local government has—*[Interruption]*—and in which I have faith to drive forward economic growth. *[Interruption.]* The hon. Member for North Durham (Mr Jones) is, as usual, very vocal from a sedentary position, which is his more usual form of contribution to debate.

The Second Deputy Chairman of Ways and Means (Dawn Primarolo): Order. Mr Jones, please stop shouting across the Chamber. Either try and intervene or please be quiet.

Mr Kevan Jones *rose—*

Robert Neill: Before I give way to the hon. Gentleman, he might like to reflect on this. He has been very vocal about the Second Reading debate. I remind him of this passage, when my right hon. Friend the Secretary of State, following this very point, said:

"Economic success is not a southern phenomenon",

and the hon. Gentleman intervened and said:

"Yes, it is."—[*Official Report*, 10 January 2012; Vol. 538, c. 81.]

Would he like to explain that?

Mr Jones: The Minister does not quite understand. It is for me to ask him questions in interventions, not the other way round. He said that there were perverse incentives in local government. Can he name one council where that is the case? The hon. Member for Harrow East (Bob Blackman) could not.

Robert Neill: My hon. Friend specifically gave the example of his own council. The point that the hon. Gentleman and many other Opposition Members do not get is that the Bill is not just about dealing with the short-term issues of one-year funding settlements. It is about creating a system that certainly has an element of equalisation in it, because as we all know, all local government finance systems going back many years have always had a degree of equalisation. The hon. Member for Sheffield South East, the Chairman of the Select Committee—

Graham Jones: Will the Minister give way?

Robert Neill: I will make a little progress before I give way again.

The hon. Member for Sheffield South East took us a little way down memory lane with GREAs and SSAs. There has always been an element of equalisation and that will continue. The rather complicated and highly prescriptive process that is built into the amendments does not improve on what is set out in the Bill. Indeed, it would undermine some of the key objectives of the Bill.

The hon. Member for Warrington North (Helen Jones) and her hon. Friends are seeking to place what we regard as an unnecessary requirement on the Secretary of State to undertake multiple and frequent assessments of needs. That undermines the key objective of long-term certainty which provides the incentive and also stability in a local authority's funding. As it is, the needs and resources elements are taken into account at the setting of the baseline. The baseline is set and then it runs forward. They are taken into account. Some people say, "Go back to a previous year on the baseline", even though that would involve more out-of-date data and formulae. Many would say that that was not fair.

Several hon. Members *rose—*

Robert Neill: Let me finish the point and hon. Members may find that their intervention falls into place better.

Local authorities' baseline funding levels are set on the basis of the 2012-13 formula grant. The calculation of the tariffs and the top-ups will then ensure that the funding at the outset of the scheme is in line with that assessment of relative need and resource. That is in our system. After that, the baseline levels, tariffs and top-up funding remain fixed and the budgets grow in line with the incentive.

If the system is reset too frequently, that undermines the incentive that we wish to achieve, and in particular it severely diminishes the value of the important introduction in the Bill of tax increment financing. For tax increment financing, which the local government world has wanted for a long time and which the Lyons review advocated introducing, it is important to have a reasonable degree of certainty about the income stream against which we can securitise. That is undermined if interference and change in the system are too frequent.

I understand the point made by my hon. Friend the Member for Cities of London and Westminster (Mark Field) about uprating in line with the RPI, and I accept

that there has to be a degree of trade-off in this. It means that top-up local authorities will have a degree of assurance throughout the period of the reset that their income levels will grow by inflation. That is particularly important in the case of two-tier areas, where the county councils responsible for a large number of personal services will be predominantly top-up authorities. Much the same will apply to other precepting authorities, such as the combined and stand-alone fire and rescue authorities. I accept that arguments were made on either side, but, as is always the case, a balance has to be achieved, as I know my hon. Friend will recognise.

Mr Watts: I accept that revaluation too often can cause a problem, but does the Minister agree that the valuation process has not been changed for many years and the longer the period without a revaluation, the more likely it is that no Government will do it because it will make such a difference and there will be winners and losers? There has to be some sort of judgment between how long is too short and how long is too long for a review, and is not 10 years too long?

Robert Neill: I do not think that 10 years is too long. We think that it gives a sensible balance. But it is a good reason not to put such matters in primary legislation and to say instead that they should be developed through regulations, which, as we know, will be subject to scrutiny by the House. I should have thought that that meets the hon. Gentleman's point. An assessment is built into the system, which is then taken forward. That is why the updating report is there.

A second point concerns the question of the central share and the set-aside. I am sure that when hon. Members reflect upon this they will realise that we have always made it clear that over time, particularly when we have put the public finances back on track, we would hope to increase the proportion of business rates to the part of the rates retention scheme. But it would be imprudent to suppose—Opposition Members would not have done so when they were in government—that there might never be an occasion when the central share might need to be maintained, or on occasion, heaven forbid, increased. I believe that the economic policies of the Government will mean that it is not necessary, but legislation has to cater for various eventualities. As I say, it is our aspiration that that should increase, but equally, as hon. Members will know, the Government have, and will always have, an interest in the totality of public spending. To expect the Government to have no control over local government finance, when it is such a significant percentage of public expenditure, would be unrealistic. That is not the case under the current scheme, and it would not be realistic in future. In that regard, some of the amendments would constrain the Government unrealistically, and I hope hon. Members will understand why.

Mark Field: I accept that the straitened financial times make things very difficult, but do I take from what my hon. Friend has said that there is a longer-term aspiration, if not necessarily a fully fledged commitment at this stage, that we should look to allow local authorities to raise the council tax in future to ensure that there is a little more of a balance; that some more of the money that they are expending comes from local residents? I accept that this is not a short-term measure given the financial constraints that we are under, and I understand why the Government have tried to provide such incentives to freeze the council tax at the moment, but in the longer term, the rebalancing to which he refers should ensure that local government has other full sources of income possibly to rely upon.

Robert Neill: I understand my hon. Friend's point. He refers to the council tax, which is a separate part of the income stream from the business rates. Of course, we have ourselves removed capping and substituted the ability, even under current circumstances, for a local authority to go to its voters by way of a referendum, which is a move in the direction of giving greater flexibility. It is the authority's local call. In relation to the business rates element of its income, I restate that it is our desire to ensure that there is flexibility for the future. This is not intended to be a system that lasts for two or three years. I am in favour of multiple-year funding settlements, which I think we all agree on, but our system is intended to last for a much longer period. I hope that that reassures hon. Members.

Mr Betts: I thank the Minister for the slight reassurances about his thinking on the future of the set-aside, but will he reflect on the fact that many countries manage a different relationship between central and local government with more flexibility for local government? Can he think of any other advanced western democracy where local government taxes are used by central Government for their own purposes, rather than for those of local authorities?

Robert Neill: It is perfectly fair to observe that the local government finance system in this country is highly centralised, and many of us have often said that we want to make it less so. The Bill will do precisely that. I am reminded of the old phrase, "Half a loaf is better than none." As the hon. Gentleman will know, the Lyons inquiry into local government, which the previous Government established, found that the system was too centralised, but Opposition Members conveniently ignored that when in government. We are doing something about it, so his ambition is being met at least in part.

I will say something about how this will operate. The central and local shares will have to be set out in the annual local government finance report. We will consult local government on the draft report, as we currently do, which will then be laid before the House and subject to the rigour of parliamentary scrutiny. A statutory consultation, as proposed in amendment 38, is unnecessary, as that will happen as a matter of course. We do not envisage that the shares, once they have been set at the outset, will be changed from year to year. That gives certainty that the uprating for the top-ups and tariffs will be protected until we come to a reset. We have already debated what will be the most appropriate period before a reset. That is why amendment 37 does not give any greater clarity.

The Government's intention is that the money that comes into the central share will be returned in its entirety to local government, as currently required by the Finance Act 1988. We will do so by funding local government by grant that is outside what is currently formula grant and will now be in the rates retention scheme. There are plenty of examples of localised grants

[Robert Neill]

that are made in that way—for example those relating to neighbourhood policing and homelessness grants. The suggestion, from the authors of the current system, that that is centralising should win the award for chutzpah of the year so far, although it is only 18 January.

These changes are an important step towards localisation. There is a great deal of detail and we have undertaken to consult on the regulations, and I assure hon. Members that they will be subject to the scrutiny procedures of the House. As I said earlier, we have set up a working group at official level to talk through the details with the local government sector.

I have a great deal of respect for the right hon. Member for Wentworth and Dearne, who is no longer in his place but, for the reasons I have set out, I do not believe that amendment 46 is necessary to achieve a degree of fairness in the system. It would have a perverse effect, as it would prevent any of the central share money from being used to fund transitional protection arrangements under the transitional rate relief scheme. Schedule 1, as drafted, permits that, which means that transitional payments under the rate relief scheme would not fall on local government. Central Government would be in a position to pick up the cost if disparities arose. Under the amendments, the costs would have to fall on local government, which is not his intention. I hope that he will consider withdrawing the amendment before we come to vote.

I will turn briefly to the two Government amendments in the group. They relate to seriously technical parts of the schedule. I apologise for that, but they are important. First, they increase the amount that can be debited from the main rating account to include payments received in respect of central list contributions and payments that are made as contributions in aid. Those payments are made directly to the Secretary of State.

6.30 pm

The central list relates essentially to occupiers of network property. That is entered not on any individual local authority's rating list, but on the central rating list. Contributions in aid relate to certain property that is exempt from rating and is occupied by central Government, such as that for visiting forces, international headquarters and so on. We want to ensure that that is not counted in a way that is to the detriment of local government in determining the appropriate shares. By allowing those sums to be included, the amendments will reduce the central share and allow local government to keep more of the local rates that they raise. They are technical amendments, but they work to the advantage of the local authority sector as a whole.

Secondly, the amendments will ensure that central Government cannot debit any sums that need to be repaid in respect of an earlier year. It sometimes happens that in the course of a year, authorities are expected to pay their central share contribution on the basis of an estimate made at the start of the year. That happens to some degree now in the calculation of business rate payments and there is a reconciliation at the end of the year. The amendments will simply ensure that reconciliation works in a way that allows payments to be made back to local authorities. Again, that will ensure that local authorities keep a bigger share of the local rates that they collect. These are both benign amendments that, in a modest way, strengthen the position of local authorities even further. I accept that this is a marginal part of the system, but it is none the less important to get it right.

I urge Members to support the two Government amendments and hope that they will reject the amendments of Opposition Members if they are pressed to a vote.

Amendment 46 negatived.

Amendments made: 1, page 11, line 31, after 'exceed' insert '—(a)'.

Amendment 2, page 11, line 32, leave out '(1)(c)' and insert

'(1)(a), (b) and (c), minus

(b) the total amount debited for the year under sub-paragraph (2)(a)'.—*(Robert Neill.)*

Amendment proposed: 19, page 12, line 20, at end insert—

(c) in determining the central share and the local share for any relevant authority, the Secretary of State must have regard to—

(i) the level of need in that authority,

(ii) the likely capacity of the authority to benefit from business rate growth, and

(iii) the council tax base of the authority.

Any assessment of the level of need in the authority shall include—

(iv) the ranking of the local authority in the Index of Multiple Deprivation,

(v) the level of unemployment within the authority's area,

(vi) the proportion of adults with a limiting long-term illness within the authority's area,

(vii) the number of adults in receipt of social care within the authority's area,

(viii) the number of looked-after children within the authority, and

(ix) the level of child poverty within the authority's area.'.—*(Helen Jones.)*

Question put, That the amendment be made.

The Committee divided: Ayes 232, Noes 318.

Division No. 425] **[6.32 pm**

AYES

Abbott, Ms Diane	Blears, rh Hazel
Abrahams, Debbie	Blenkinsop, Tom
Ainsworth, rh Mr Bob	Blomfield, Paul
Alexander, rh Mr Douglas	Blunkett, rh Mr David
Alexander, Heidi	Bradshaw, rh Mr Ben
Ali, Rushanara	Brennan, Kevin
Allen, Mr Graham	Brown, rh Mr Nicholas
Anderson, Mr David	Brown, Mr Russell
Ashworth, Jonathan	Bryant, Chris
Austin, Ian	Buck, Ms Karen
Bailey, Mr Adrian	Burden, Richard
Bain, Mr William	Burnham, rh Andy
Balls, rh Ed	Campbell, Mr Alan
Banks, Gordon	Campbell, Mr Ronnie
Barron, rh Mr Kevin	Caton, Martin
Bayley, Hugh	Chapman, Mrs Jenny
Beckett, rh Margaret	Clark, Katy
Begg, Dame Anne	Clarke, rh Mr Tom
Bell, Sir Stuart	Coaker, Vernon
Benn, rh Hilary	Coffey, Ann
Benton, Mr Joe	Connarty, Michael
Berger, Luciana	Cooper, Rosie
Betts, Mr Clive	Crausby, Mr David
Blackman-Woods, Roberta	Creagh, Mary

Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
De Piero, Gloria
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Love, Mr Andrew
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Dame Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Watts, Mr Dave
Whitehead, Dr Alan
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Lyn Brown and Graham Jones

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don

Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Sir Roger
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Hemming, John
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Sir Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Soames, rh Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swayne, rh Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, rh Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Jeremy Wright and Mark Hunter

Question accordingly negatived.

Amendment proposed: 39, page 15, line 17, leave out from 'must' to end of line 19 and insert

'prepare and publish an assessment of the level of need in each local authority, as defined in paragraph 4(c) above. The Secretary of State must—

(a) lay the report containing the assessment before the House at least 14 sitting days in advance of the publication of the Local Government Finance Report, and

(b) notify such representatives of local government as the Secretary of State thinks fit of the publication of the report on need and the detail of the basis of calculation in the Local Government Finance Report.'.—*(Helen Jones.)*

Question put, That the amendment be made.

The Committee divided: Ayes 228, Noes 318.

Division No. 426] **[6.49 pm**

AYES

Abbott, Ms Diane
Abrahams, Debbie
Ainsworth, rh Mr Bob
Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Allen, Mr Graham
Anderson, Mr David
Ashworth, Jonathan
Austin, Ian

Bailey, Mr Adrian
Bain, Mr William
Banks, Gordon
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Bell, Sir Stuart
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blackman-Woods, Roberta
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Nicholas
Brown, Mr Russell
Bryant, Chris
Buck, Ms Karen
Burden, Richard
Burnham, rh Andy
Campbell, Mr Alan
Campbell, Mr Ronnie
Caton, Martin
Chapman, Mrs Jenny
Clark, Katy
Clarke, rh Mr Tom
Coffey, Ann
Connarty, Michael
Cooper, Rosie
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cryer, John
Cunningham, Alex
Cunningham, Mr Jim
Cunningham, Tony
Curran, Margaret
Dakin, Nic
Danczuk, Simon
Darling, rh Mr Alistair
David, Mr Wayne
De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Donaldson, rh Mr Jeffrey M.
Donohoe, Mr Brian H.
Doran, Mr Frank
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Engel, Natascha
Esterson, Bill
Evans, Chris
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Francis, Dr Hywel
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Gwynne, Andrew
Hain, rh Mr Peter
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harris, Mr Tom
Havard, Mr Dai
Healey, rh John
Hendrick, Mark
Hepburn, Mr Stephen
Heyes, David
Hillier, Meg
Hilling, Julie
Hodgson, Mrs Sharon
Hoey, Kate
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Irranca-Davies, Huw
James, Mrs Siân C.
Jamieson, Cathy
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Keeley, Barbara
Kendall, Liz
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lloyd, Tony
Love, Mr Andrew
Lucas, Ian
MacShane, rh Mr Denis
Mactaggart, Fiona
Mahmood, Mr Khalid
Mahmood, Shabana
Malhotra, Seema
Mann, John
Marsden, Mr Gordon
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McDonnell, Dr Alasdair
McDonnell, John
McFadden, rh Mr Pat
McGovern, Jim
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meacher, rh Mr Michael
Meale, Sir Alan
Mearns, Ian
Michael, rh Alun
Miliband, rh David
Miller, Andrew
Mitchell, Austin
Moon, Mrs Madeleine
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Mudie, Mr George
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Pearce, Teresa
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reeves, Rachel
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruane, Chris
Ruddock, rh Dame Joan
Sarwar, Anas
Seabeck, Alison
Sharma, Mr Virendra
Sheerman, Mr Barry
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Smith, Owen
Spellar, rh Mr John
Stringer, Graham
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watts, Mr Dave
Whitehead, Dr Alan
Williamson, Chris
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Wood, Mike
Woodcock, John
Woodward, rh Mr Shaun
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Lyn Brown and Graham Jones

NOES

Adams, Nigel
Afriyie, Adam
Aldous, Peter
Andrew, Stuart
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Norman
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Beresford, Sir Paul
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Birtwistle, Gordon
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bottomley, Sir Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Bridgen, Andrew
Brine, Steve
Brooke, Annette
Browne, Mr Jeremy
Bruce, Fiona
Bruce, rh Malcolm
Buckland, Mr Robert
Burley, Mr Aidan
Burns, Conor
Burrowes, Mr David
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Campbell, rh Sir Menzies
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse

Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crockart, Mike
Crouch, Tracey
Davey, Mr Edward
Davies, David T. C. *(Monmouth)*
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorrell, rh Mr Stephen
Dorries, Nadine
Doyle-Price, Jackie
Drax, Richard
Duddridge, James
Duncan, rh Mr Alan
Duncan Smith, rh Mr Iain
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freeman, George
Freer, Mike
Fullbrook, Lorraine
Fuller, Richard
Gale, Sir Roger
Garnier, Mark
Gauke, Mr David
George, Andrew
Gibb, Mr Nick
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Grieve, rh Mr Dominic
Gummer, Ben
Gyimah, Mr Sam
Halfon, Robert
Hames, Duncan
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Hart, Simon
Haselhurst, rh Sir Alan
Hayes, Mr John
Heald, Oliver
Heath, Mr David
Hemming, John
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hoban, Mr Mark
Hollingbery, George
Hollobone, Mr Philip
Holloway, Mr Adam
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Loughton, Tim
Luff, Peter
Lumley, Karen
Main, Mrs Anne
Maynard, Paul
McCartney, Jason
McCartney, Karl
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McPartland, Stephen
McVey, Esther
Mensch, Louise
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Moore, rh Michael
Mordaunt, Penny
Morgan, Nicky
Morris, Anne Marie
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Neill, Robert
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Norman, Jesse
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Opperman, Guy
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Paterson, rh Mr Owen
Pawsey, Mark
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Rees-Mogg, Jacob
Reevell, Simon
Reid, Mr Alan
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Sir Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Shapps, rh Grant
Sharma, Alok
Shelbrooke, Alec
Shepherd, Mr Richard
Simpson, Mr Keith
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Soames, rh Nicholas
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stanley, rh Sir John
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stuart, Mr Graham
Stunell, Andrew
Sturdy, Julian
Swayne, rh Mr Desmond
Swinson, Jo
Syms, Mr Robert
Tapsell, rh Sir Peter
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Ward, Mr David
Watkinson, Angela
Weatherley, Mike
Wheeler, Heather
White, Chris
Whittaker, Craig
Whittingdale, Mr John
Wiggin, Bill
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wilson, Sammy
Wollaston, Dr Sarah
Wright, Jeremy
Wright, Simon
Yeo, Mr Tim
Young, rh Sir George
Zahawi, Nadhim

Tellers for the Noes:
Mark Hunter and Mr Shailesh Vara

Question accordingly negatived.

7.3 pm

The occupant of the Chair left the Chair to report progress and ask leave to sit again (Standing Order No. 9(3)).

The Deputy Speaker resumed the Chair.

Progress reported; Committee to sit again tomorrow.

Business without Debate

DELEGATED LEGISLATION

Motion made, and Question put forthwith (Standing Order No. 118(6)),

EUROPEAN UNION

That the draft European Union (Definition of Treaties) (Republic of Korea Free Trade Agreement) Order 2011, which was laid before this House on 2 November, be approved.—*(Greg Hands.)*

Question agreed to.

Motion made, and Question put forthwith (Standing Order No. 118(6)),

ENVIRONMENTAL PROTECTION

That the draft Commission for Architecture and the Built Environment (Dissolution) Order 2012, which was laid before this House on 29 November, be approved.—*(Greg Hands.)*

Question agreed to.

BUSINESS OF THE HOUSE (23 JANUARY)

Ordered,

That at the sitting on Monday 23 January paragraph (2) of Standing Order No. 31 (Questions on amendments) shall apply to the Motions in the name of Edward Miliband as if the day were an Opposition day.—*(Greg Hands.)*

BUSINESS OF THE HOUSE (25 JANUARY)

Motion made,

That at the sitting on Wednesday 25 January, notwithstanding the provisions of Standing Order No. 20 (Time for taking private business), the Private Business set down by the Chairman of Ways and Means shall be entered upon (whether before, at or after 4.00 pm), and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business.—*(Greg Hands.)*

Hon. Members: Object.

WELSH GRAND COMMITTEE

Ordered,

That—

(1) the matter of the UK Government's agricultural policy as it relates to Wales be referred to the Welsh Grand Committee for its consideration;

(2) the Committee shall meet at Westminster on Wednesday 8 February at 9.30 am and 2.30 pm to consider—

(a) questions tabled in accordance with Standing Order No. 103 (Welsh Grand Committee (questions for oral answer)), except that questions shall be addressed to, and answered by, Ministers in the Department for Environment, Food and Rural Affairs;

(b) the matter referred to it under paragraph (1) above; and

(3) the Chair shall interrupt proceedings at the afternoon sitting not later than two hours after their commencement at that sitting.—*(Greg Hands.)*

Sir Bob Russell (Colchester) (LD): On a point of order, Mr Deputy Speaker. In the past two hours, Members of Parliament have been denied access to an internet site, www.ipsa.shadow.com, which is supportive of Members of Parliament. The official print-off states, "Access is denied to the website you have selected because it belongs to a category that is blocked." Can we have an investigation into who within the House is blocking Members of Parliament accessing anything, and in particular something to do with the Independent Parliamentary Standards Authority, especially when it is favourable to Members of Parliament?

Mr Deputy Speaker (Mr Nigel Evans): There is a rarity. Although that is not a point of order for the Chair, my recollection is that a phone number is usually given when access to a site is denied. My suggestion to the hon. Gentleman would be either to telephone that number, or if no number is given, to phone Parliamentary Information and Communications Technology. I am sure that PICT will be able to give the reason why Sir Bob is not being given the answer he wants.

Tees Valley Spinal Unit

Motion made, and Question proposed, That this House do now adjourn.—*(Greg Hands.)*

7.6 pm

Phil Wilson (Sedgefield) (Lab): I want to highlight the work of the spinal unit at the University Hospital of North Tees and the charitable support group established in 1999 by patients who have used the spinal unit for surgery to relieve chronic back pain, allowing some patients to walk again and many others to get on with their lives pain-free. I speak with first-hand knowledge of the unit and its support group because of the major spine surgery performed on me in November 2008, after years of pain.

At a time of controversial change to the NHS, I want to put on record my belief that the spinal unit at the University Hospital of North Tees and the volunteer network that supports patients before and after treatment is a shining illustration of all that is good about the NHS, and should be an example of how other acute care and chronic pain services should operate elsewhere. Recent advances have made spine surgery safer and more effective and now there are safe and effective surgical options to treat back pain. It is no longer accurate to tell patients that nothing can be done and they just have to live with it. The North Tees spinal unit specialises in the holistic treatment of spinal pain—from physio to surgery, with surgery being the last option.

The spinal unit at the University Hospital of North Tees is in the constituency of my hon. Friend the Member for Stockton North (Alex Cunningham), who is a good friend of the hospital. It serves the Tees Valley and South Durham area, including my constituency, but its reputation has now reached far and wide, with patients travelling from all parts of the country for treatment. The spinal unit was set up in 1997 by consultant spinal surgeon Manoj Krishna, who operated on me. The unit was originally staffed by two spinal surgeons but is now staffed by three dedicated consultant spinal surgeons supported by associate specialists and middle-grade doctors, nurses, allied health professionals and other support services such as radiology. The unit offers a number of leading therapeutic, non-surgical and surgical procedures. My understanding of the procedures used is only surpassed by my complete inability to pronounce many of them, but they include lumbar disc replacement, neck surgery and other surgery on the spine.

The spinal assessment team's specialist nurses carefully examine patients' medical history to establish the best course of treatment for each case. Patients who require non-operative treatment are then channelled to the appropriate department and patients requiring surgery are referred for treatment in the spinal surgical unit. The unit's consultants see about 2,000 new patients a year, usually from the musculoskeletal service but sometimes directly from GPs both in and out of the area. Patients come from as far as London and the south-west to have their surgery at North Tees. Fifteen major spinal operations are carried out in the unit each week. The average length of stay in the unit is two and a half days. The unit is a training centre for specialist registrar and spinal fellowship programmes. It is active in research and development, represented on the national and international stage.

I suffered from back pain for years. Initially, the periods between incidents of pain were long, lasting several months. Then the pain became constant. The by-election that I fought in 2007 was not pain-free, but was something that had to be coped with of necessity. One does learn coping techniques—for instance, exercise and physiotherapy are essential—but the more the pain intensified, the stronger the painkillers became. Heat wraps and ice packs were bought in abundance as a short-term remedy.

Coping mechanisms included wearing slip-on shoes because it was too painful to bend over to fasten shoelaces. Books, television remote controls and clothes would be left on the backs of chairs or on shelves at a particular height so it was not necessary to bend or stretch. Working in the office meant standing at the filing cabinet, using it as a desk, or walking around the room reading papers or documents. Sitting for any length of time could be torture. Standing in the Chamber attempting to catch the Speaker's eye would be a welcome relief for a few seconds, and speaking would be a relief in more ways than one. The pain would be in the legs rather than the back, because the damaged disc was catching the sciatic nerve.

My back was continuing to deteriorate. I was referred to Manoj Krishna, who treated me for about a year with physiotherapy regimes and epidurals that bathed the base of my spine with anaesthetic. All the treatments worked for a time, but the underlying problems caused by discs that were disintegrating meant that I needed surgery. The surgery meant removing the two offending discs and fusing the three vertebrae. Years ago that technique meant recuperating in hospital for many weeks, but in November 2008, when I had the operation, I hobbled into the hospital on a Wednesday morning and walked out on Thursday afternoon, less than 48 hours later. I have not looked back since. Nevertheless, surgery is not a silver bullet. People must continue to exercise, and must not take for granted the new lease of life that the operation has given them. Mr Krishna told me that I had an 80% chance of being 80% better, and I am, I think, more than 80% better. I experience the odd twinge, but the pain that I had before is gone.

My story is not unique; far from it. The cost to the individual, the family and the nation of chronic back pain is massive. Back pain is common in the UK. In any given year, about 30% of the population suffers from it, and 20% of the population—12 million patients—visit their GP with it. Between 3% and 4% of the population are chronically disabled by back pain, and 52 million work days a year are lost because of it. The chance of someone's returning to work after being off work with it for two years is less than 5%. Research shows that, for the individual, sudden severe and then chronic back pain is debilitating and can result in low mood, loss of libido, disturbed sleep, poor appetite or weight loss, fatigue, feeling worthless, problems with concentration, and even thoughts of suicide.

Back pain can also threaten the stability of the sufferer's family, possibly leading to marital and family breakdown. Because it often strikes during a person's maximum earning period, it can threaten the economic survival of the family unit. A person's back pain and associated side effects can become very draining for the family, as an inability to remain in one position for any length of time threatens normal daily activity as well as leisure.

The extent to which the whole family is affected when one of its members has back pain cannot be underestimated. The economic consequences to the nation are also apparent. The individuals concerned are often at the peak of their earning capacity, and months and years of not being able to work and to contribute to society add to their feelings of worthlessness.

For those reasons, I want to pay a special tribute not only to the work of the spinal unit at University Hospital of North Tees but, more specifically, to the voluntary workers of the Tees Valley spinal support group. In 1999 Victoria Fenny, a patient waiting for back surgery, approached Mr Krishna and asked what support there was for patients with this debilitating condition. She wanted to talk to someone who had been through the experience, but no support group existed, and as a result the Tees Valley spinal support group was formed. The group, which now attracts at least 100 people to its quarterly meetings at the hospital's teaching centre, includes former patients and those awaiting surgery, and provides an invaluable source of learning and support for the hundreds of people who have back and neck surgery each year.

The feedback from the group is used to improve the service further. Health professionals attending the support group say they learn as much from the patients as they teach them about how quickly they can get back to normal after surgery. North Tees and Hartlepool NHS Foundation Trust supports the work of the charity by providing a counselling room for patients where they can meet volunteers and talk about their concerns, and rooms at the teaching centre where the quarterly support groups are held.

The Tees Valley spinal support group is a registered charity and it raises funds to support the work of the spinal unit. I have visited the support group on a couple of occasions and it is good to speak to people who have suffered from the same symptoms—people who coped by wearing slip-ons, used the filing cabinet as a desk and left the TV remote on the back of the chair. I would like to place on record my recognition of the voluntary work undertaken by Victoria, and also Linda Botterill, Claire Poulton, Peter Evans, Peter Allan and Gordon Marron.

In 2011 the support group held its first fun-walk to raise funds for educational equipment for the unit. I met former patients who had spent years in wheelchairs but can now walk. I agree with Mr Manoj Krishna when he says that it is no longer accurate to tell patients nothing can be done for their back pain and they have to live with it. The skills are there. The support is there too. What can the Government do to ensure the excellent example of the spinal unit and its support group can be replicated around the country so that the millions of our citizens who suffer from back pain can receive the treatment they need instead of being told they just have to cope with it?

Is the Minister aware that Britain has 18 spinal surgeons per 100,000 head of population, whereas the Netherlands has 30 and the USA has 76? Back surgery rates in the UK are 30 per 100,000 head of population, as against 52 in Sweden, 115 in the Netherlands and 158 in the USA. What more can be done to improve Britain's position, because we obviously have the talent, skills and expertise to be world leaders in this area?

What will the Government's proposed reorganisation of the NHS do to ensure that patients who need the treatment will get the treatment, especially as spinal surgery techniques are rapidly improving and becoming ever more sophisticated? Finally, will the Minister join me in congratulating the management and the surgical and nursing staff at the hospital on the work they are doing to ensure chronic back pain is being treated with such professionalism? In particular, will he join me in congratulating the volunteers who run the support group, and who ensure that the service provided is holistic in its approach and helps secure the good will of patients to help other patients, in order to give them hope and address their fears? All specialties in all hospitals would do well to have their own support groups. I know from personal experience how important they are.

7.17 pm

The Minister of State, Department of Health (Paul Burstow): I congratulate the hon. Member for Sedgefield (Phil Wilson) on raising this important set of issues. The subject is close to my heart as well, as a result of my previous experiences as a Back Bencher raising similar issues about how we can deal with chronic back pain and ensure that pain is not an afterthought and the forgotten issue in the NHS, given how much it can blight the lives of so many people. Before saying a little more about that, I want to do what the hon. Gentleman asked me to do at the end of his remarks and pay tribute to both the excellent work the NHS staff working in his area do, sometimes under trying circumstances, and the work Victoria and the other people he mentioned do through their contribution as volunteers and supporters of other patients.

The hon. Gentleman vividly described his own experiences, and in doing so he has helped to turn a spotlight on these important issues. We must keep in mind the excellent care and consideration he received—and has rightly praised so highly—from Mr Krishna and that team's other specialists. Their work has made a difference to his life, as well as to the lives of many of his constituents and many other people. This is a clear example of the NHS at its best, and I join the hon. Gentleman in paying tribute to all concerned.

Often it is a patient asking how they can get involved that provides the spark that leads to the sort of voluntary activity the hon. Gentleman has described. I certainly have no difficulty in paying tribute to Victoria for asking that question of Mr Krishna, which became the spark that has ignited so much good work since.

I am aware of the hon. Gentleman's ongoing engagement with the group since his surgery in 2008. His remarks again highlighted the value of patients who have finally found relief after long-term chronic back pain having the opportunity to talk to others who are still going through the misery of their condition, as that can reassure people about what can be done. The support group's work shows the extraordinary value of having the voluntary sector and volunteers working within our NHS. He asked what we can do to strengthen that approach and replicate the idea further. The first question at last week's Health questions was about what we can do better to support volunteering in the NHS. I said then, and I repeat now, that we are working closely with the association of hospital volunteer co-ordinators to make sure that NHS boards have the information they

[Paul Burstow]

need to make the right decisions about the investments they need to make to support voluntary organisations. These may be small investments, such as providing a bit of time or a room where people can provide the valuable emotional and other support that he describes. That approach is very much at the heart of the vision in our report on volunteering in the NHS. One way we can see that go further is by ensuring that local NHS organisations sign up to the compact agreements on the voluntary sector, so that they are fully engaging with their local voluntary and community sector and making full use of that way forward.

I understand that the Tees Valley spinal support group holds quarterly meetings and I am told that they are attended by hundreds of people, which, again, underscores how important these groups can be. Perhaps most important is the fact that charity volunteers who have received spinal surgery are available to talk about these issues, as that can be hugely reassuring. There is also enormous value in developing this whole area of hospital volunteer schemes. As the hon. Gentleman rightly said, this support group provides an excellent example, and I will want to use it to illustrate the benefits of such approaches. That is why I am keen to make sure that these volunteering opportunities go further.

I wish to reflect a little further on some of the points that the hon. Gentleman made, and there is broad agreement about many of them. He rightly highlighted the huge impact that back pain can have on people's lives, saying that we can do better on treating and preventing it. This is a serious issue for the NHS, for the people affected and for the economy and our society as a whole, and it is not just about the most extreme cases where surgery proves necessary. He rightly says that surgery is no silver bullet, but when one rehearses the statistics, as he did, one finds that in the number of working days lost to illness, musculoskeletal conditions come second only to mental health problems, with a price tag for the economy of £5.3 billion a year. That occurs through lost work days, poor productivity and, in the most serious cases, people being shut out of work altogether and facing a lifetime of incapacity and difficulty.

In the shadow of the statistics that the hon. Gentleman has rehearsed there are hundreds of thousands, if not millions, of people who have to cope with chronic back pain for many years. As he has said, some of these people are not given the opportunities they need to get the right support and the right treatment at the right time, so he was right to talk about the impact on the individual and about his personal experience, but there is also an impact on families, on relationships, on mental health and on a person's well-being. For me, that points to the fact that when we think about health and well-being, we need to think bigger. He talked about holistic services that have an impact on poor health and tackle health conditions. That is very much part of what we are trying to achieve through some of the reforms to which he referred, so that improving mental health outcomes or issues to do with pain, for example, becomes not just about the Department of Health or the NHS but about what the Government, employers and many other organisations can do together. Occupational health is a key component of that.

I hope we can agree on some of the elements of the vision of what a society that actively promotes health and well-being looks like. Local communities, councils, the NHS and the voluntary sector, which has extraordinary power, should work together to begin to make a difference to the health and well-being of local people, and everything in the health system should point towards prevention. We should be able to say that the NHS is as good at preventing poor health as it is at treating it.

Let me say something about the need to ensure the integrated package of care mentioned by the hon. Gentleman. He listed some numbers and I would like to write to him about the numbers of spinal surgeons and so on, to give him a bit more detail on our thinking about how we can develop the NHS in respect of musculoskeletal conditions. There is a good story to tell and I want to set that out in more detail for him.

I also want to answer the hon. Gentleman's important question about how reforms will support improvements in surgery services. In our view, the Health and Social Care Bill creates a number of the tools that will support continuous quality improvement in the service. The outcomes frameworks published for the NHS on social care and public health provide a greater opportunity for clarity and accountability and have been widely welcomed across the clinical community.

Let me answer the hon. Gentleman's questions about what reform can do. Reform must allow much greater transparency so that we can see differences and variations in the service in different parts of the country. The publication of the health atlas is already driving commissioners to benchmark themselves against the best in the NHS. The use of tariffs will drive best practice in the services, too, and front-line staff will be empowered to use the clinical evidence—they know that this is the best practice—to deliver and commission the best possible services for their populations.

I thank the hon. Gentleman again for bringing this matter to the House tonight. He was right to want to praise the work of the spinal support group and the valuable contribution it makes to the lives of so many people in his community. I also praise the professionalism of the NHS staff who treated him and who treat his constituents. I am pleased to have the opportunity to put those remarks on the record and to endorse and underscore what he said.

Question put and agreed to.

7.27 pm

House adjourned.

House of Commons

Thursday 19 January 2012

The House met at half-past Ten o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Oral Answers to Questions

ENVIRONMENT, FOOD AND RURAL AFFAIRS

The Secretary of State was asked—

Farmers (Bureaucracy)

1. **Damian Hinds** (East Hampshire) (Con): What steps she is taking to reduce the administrative burden on farmers. [90493]

9. **Elizabeth Truss** (South West Norfolk) (Con): What steps she is taking to reduce the regulatory burden of inspections on farmers. [90501]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): Before answering my hon. Friends' questions, I believe that it is right to congratulate you on a certain anniversary, Mr Speaker, if I am correctly informed, so many happy returns of the day—it is always best to start on a good note.

In my written statement of 3 November I announced the publication of the interim response to the independent farm regulation task force and stated that the Government's final response will be published early this year. That is still my intention.

Damian Hinds: I thank the Minister for that answer. What reassurance can he give farmers in East Hampshire that reform of the common agricultural policy will reduce rather than increase the administrative burden?

Mr Paice: I am grateful to my hon. Friend for that extremely important question. The only assurance I can give is that my right hon. Friend the Secretary of State and I are working extremely hard not only in Brussels but in capitals across Europe, speaking with fellow Ministers to try to ensure that what appears to be a more complex and complicating set of proposals are altered to meet the objectives that my hon. Friend, his farmers and, I think, every farmer and farming Minister in Europe want to see.

Elizabeth Truss: Tomorrow I am holding a farming forum in Shouldham Thorpe. What can I tell local farmers about progress towards a single farm inspection regime that would save them time and the Government money?

Mr Paice: Although I cannot guarantee a single inspection regime, I am pleased to say that we are certainly moving towards a much simpler regime, as I hope my hon. Friend and the House will see shortly when I publish our response to the Macdonald report. We are using the concept of earned recognition, whereby we can trust farmers who have demonstrated their ability to comply with regulations and reduce the level of inspection on them, and in other cases we can merge inspection regimes so that one person does them for more than one agency.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): The CAP regime involves a lot of heavy administration. I have asked the Minister about compliance issues before, but I think that the most pressing issue at the moment is whether single farm payments will continue to provide the kind of support that farmers in the least favoured areas, particularly those in the devolved Administrations, depend upon. What update can he give us on where the Government are heading with that?

Mr Paice: As the hon. Lady will appreciate, I cannot give any absolute answer because I fear that the negotiations will take another 18 months to reach a conclusion, but there is no doubt that the single farm payment or a form of direct payment, whatever it is called, will continue. I cannot tell her what the exact rates will be, because obviously we have not seen any budgets yet. She will be aware that the proposal we support is that all member states and regions should move towards an area-based system, which Scotland has not yet done, so it will face that challenge, as will all the devolved regions. I can assure her that we will do our very best to negotiate on behalf of the whole United Kingdom to get the best deal for British farmers and the British taxpayer.

Huw Irranca-Davies: Mr Speaker, I join the Minister in saying to you: llongyfarchiadau.

With strong cross-party support, Labour introduced the Gangmasters Licensing Authority in response to wide public outrage at the deaths of Chinese cockle pickers in Morecambe bay in 2004. It is an example of good regulation and enforcement, which only last year resulted in 12 high-profile operations and prosecutions and the identification of nearly 850 exploited workers, despite budget cuts. While the exploitation of workers continues, the need for the GLA is as great as ever. Will the Minister guarantee that the red tape challenge will not be used to water down the GLA's powers and successes and that he will work with us to improve and strengthen it, including through more flexible fines and civil penalties? No one wants a return to the horrors of Morecambe bay or to see the sickening exploitation and trafficking of people by criminal gangs continue.

Mr Paice: I am sure the whole House agrees with the hon. Gentleman that we do not want a return to that. We are looking at the issue of civil penalties, which he has just described, and at fines. Nevertheless, there is some concern that the GLA has broadened its perspective way beyond the sectors that it was originally intended, rightly, to cover. It had all-party support and still does. I will not deny that we are looking at whether there are aspects of its activities that could be altered, but we will make those announcements as part of the response to Macdonald in a month's time. The GLA's core responsibility to protect vulnerable workers must be retained and will be.

Farming (Innovation)

2. **George Freeman** (Mid Norfolk) (Con): What plans she has to promote innovation in the farming industry. [R] [90494]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): Innovation is essential to enhancing the competitiveness and resilience of UK agriculture, and we welcome the emphasis in the new common agricultural policy reform proposals on stimulating innovation. In March, in partnership with the Technology Strategy Board we are holding an innovation for growth summit with the agri-food sector. The summit will raise awareness of the potential for growth, and it includes a competition with £500,000 in prizes for small and medium-sized enterprises to develop their innovative ideas. As we speak, the invitations are going out.

George Freeman: I thank the Secretary of State for that answer. Does she agree that, as we as a nation look for ways to develop a sustainable recovery and to support sustainable development throughout the world, British agriculture, science and technology have a key role to play as exports, not least through centres such as the Norwich research park in my own county of Norfolk? Does she also agree that we need somehow to create a web that links up our centres of excellence, currently fragmented throughout the UK, to create a portal for global industry to interact with our science?

Mrs Spelman: I completely agree, and I esteem highly the research capacity in my hon. Friend's constituency. The Government's investment of £400 million per annum is co-ordinated throughout the Government, under the UK cross-Government food research and innovation strategy, which is published by the Government Office for Science. The cross-Government and research councils' programme on global food security will also be a key vehicle for driving that agenda forward.

Ian Paisley (North Antrim) (DUP): Does the Secretary of State agree that one of the best ways to enhance competitiveness is to encourage the export of our product beyond the borders of the European Community? Will she outline to the House the Department's policies, practices and strategy to encourage the export of our food product to Asia, Russia and China?

Mrs Spelman: When we took office, we made it a priority from the outset to encourage the food and farming industry to produce more food sustainably and to think in terms of opportunities in emerging markets. Later this month, we will publish in an export action plan the results of our work with the agri-food industry in the intervening months, but there is absolutely no doubt that the emerging markets of Brazil, China, India and Russia, many of which Ministers have now visited, offer our food and drink industry the huge potential to grow its business.

Roger Williams (Brecon and Radnorshire) (LD): The UK is already a successful exporter of meat and meat products, and that is a fantastic way of increasing employment in farming and food processing. I have recently returned from Kazakhstan, where there is a huge and unmet demand for meat and meat products. What is DEFRA doing to ensure that all potential exporters are supported, and that we promote the quality of British meat throughout the world?

Mrs Spelman: As I said in my previous answer, we have made that issue a priority since the very beginning. The important point is that the "Made in Britain" label on our food and drink sends to consumers throughout the world a very strong signal of high-quality food produced to very high standards of animal welfare, which our consumers expect and we promote, and of food safety, as the systems that we have built are very strong. Indeed, we should consider exporting not just our food but our systems to emerging economies.

Single Farm Payment

3. **Mel Stride** (Central Devon) (Con): What progress her Department has made on payments to farmers under the single farm payment scheme. [90495]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): In December, the Rural Payments Agency made the highest ever proportion of payments to English farmers under the single payment scheme, and it was achieved in the opening month of the scheme payment window. The latest figures, as of 18 January, show that a total of £1.5 billion had been paid to 95,702 farmers, and that demonstrates really good progress, but of course I remain committed to ensuring continued improvements in the service that farmers receive.

Mel Stride: I thank the Minister for that answer and do not underestimate the significant progress that he has made in sorting out the RPA, not least because of the shambles that he inherited from the previous Government. Will he categorically assure me, however, that future payment schemes will be kept as simple as possible, so that the significant difficulties that my local farmers in Devon face are not repeated in the years ahead?

Mr Paice: The assurance I can give my hon. Friend is that my right hon. Friend the Secretary of State and I will do everything we can to ensure that future schemes are as simple as possible. As I intimated in answer to an earlier question, we are very concerned that many of the Commission's proposals would actually make the situation more complicated rather than less so, but I assure him of our determination to improve on them.

Mr Denis MacShane (Rotherham) (Lab): Will the Minister confirm that the average payout is about £13,000 a year and yet we are giving giant CAP subsidies to the richest in the land, such as up to €500,000 to Her Majesty and €800,000 to Tate & Lyle? As we are capping benefits for the poor, should we not cap these agricultural benefits for the very rich?

Mr Paice: I readily accept that capping has its attractions for those who want to level down the payments. One reason why this Government and the previous Government have opposed the principle of capping payments is that it would simply cause the fragmentation of farms as they break up to meet the new criteria. That would provide jobs for lawyers, but I am not sure t it would do any other good.

Julian Smith (Skipton and Ripon) (Con): I agree that improvements have been made, but there is still significant work to do on communication with individual farmers. Will the Minister update the House on how much the RPA is costing the taxpayer in administering the payments?

Mr Paice: I cannot give my hon. Friend the answer that he seeks off the top of my head, I am afraid. I can assure him that both I and the chief executive of the RPA, whom I will meet later today, are extremely determined to ensure that communication improves. We had a problem last year when farmers were told that they would be paid in X month but they were not. That was very bad news, and it is why that is not happening this year. I am determined to improve that situation, because whatever the state of a claim, farmers are entitled to know what that state is.

Littering and Fly-tipping

4. **Annette Brooke** (Mid Dorset and North Poole) (LD): What steps she is taking to tackle littering and fly-tipping. [90496]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): Changing behaviour is the key on such environmental issues. That is why the Government support the national fly-tipping prevention group and initiatives such as Keep Britain Tidy's "Love Where You Live" campaign, which I launched with Kirstie Allsopp last autumn. We are cracking down on fly-tippers by introducing powers to seize the vehicles of suspected offenders and are working with the court authorities on increased sentencing.

Annette Brooke: I thank the Secretary of State for her answer. I congratulate all those involved in community litter picks, including those at Canford Heath in my constituency. Litter alongside the busy roads that link our communities is a blot on the landscape. What more will she do to empower local councils to take effective action against people in vehicles who are responsible for such littering?

Mrs Spelman: I freely acknowledge that that is a problem. When I jog around the lanes where I live in the countryside, it appals me to see what has been dropped casually out of car windows. It is systematically cleared by the council, but within a very short period it is back. This is about changing behaviour. We have to start in schools by educating children and taking them with us on litter picks, because it then dawns on them what a nuisance this is. In addition, an interesting opportunity is presented by a private Bill that is going through Parliament, which will enable London borough councils to tackle the problem of littering from vehicles by making it a civil offence. We should look at the efficacy of that measure to see what wider lessons we can learn.

Yvonne Fovargue (Makerfield) (Lab): The Secretary of State has mentioned her support for Keep Britain Tidy, yet her Department has cut its grant to that organisation, causing it to lose 50% of its staff. What impact does she believe that will have on littering campaigns?

Mrs Spelman: Such questions from the Opposition always skirt the reality that we are dealing with a deficit we inherited from the previous Government. As shadow Ministers have said, they would have to make cuts too. This is not easy. As I said at the outset, I applaud Keep Britain Tidy's initiatives. The point is that we need to tackle this together. This is a classic area where the big society can make a difference. I have put my money where my mouth is by helping to launch the "Love Where You Live" campaign. I suggest to hon. Members that that is a campaign we can all get involved in.

Rural Tourism

5. **Andrew Stephenson** (Pendle) (Con): What assessment she has made of the benefits to rural areas of rural tourism; and what support she is providing to rural communities to help them secure such benefits. [90497]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): The rural economy growth review concluded that tourism was a significant contributor to the rural economy and that it had the potential for further growth. The Government have therefore announced a £25 million initiative to promote rural tourism and support rural tourism businesses. That includes establishing a new £10 million fund for the rural development programme for England to provide funding for the development and improvement of tourism destinations, facilities and products.

Andrew Stephenson: I thank the Minister for that answer. I am sure he would agree that unnecessary and inappropriate regulations that impede the development of rural tourism should not be introduced. Will he therefore confirm that his Department no longer plans to classify waste from self-catering properties as commercial rather than domestic?

Richard Benyon: I agree that inappropriate regulations should not hinder rural tourism, including self-catering accommodation. However, we also have to face the fact that many councils in areas where there is a thriving tourism industry face huge bills in dealing with the waste that it produces. Given the principle that the producer pays, the Department is considering how to get the balance right. I reassure my hon. Friend that self-catering accommodation is one area that DEFRA is considering as an exception. We will weigh up the matter and make an announcement shortly.

Chris Ruane (Vale of Clwyd) (Lab): The coalition Government often pick fault with the Welsh Government. May I inform the Minister that the Wales coastal path, a continual path around the whole coast of Wales, is due to be officially launched in May? It will promote rural tourism and has already been flagged up by *The New York Times* as one of the top places to go in 2012. Why is England's coastal path being left behind?

Richard Benyon: The hon. Gentleman will be very glad to know that I will be going down to Dorset in the next few days to launch the first section of the coastal path, which will be along the Olympic site. We are also working on, I believe, five other sites. The legislation is extremely complex. I would like it to be much more simple, and I am examining ways of making it simpler so that we can speed things up and ensure that the benefits for tourism, health and people's ability to enjoy our wonderful coast will be apparent sooner rather than later.

Jobs and Growth

7. **Mr Tom Harris** (Glasgow South) (Lab): What steps she is taking to promote jobs and growth in the food production and environmental industries. [90499]

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): In the rural strand of the growth review that we published alongside the autumn statement, we announced an export action plan which, as I indicated earlier, will be out later this month, and an innovation summit to support the agri-food industry. We also announced a new £15 million loan fund for community renewables, a £15 million fund for rural growth networks and support for mid-sized businesses to access £6 billion a year of savings available from resource efficiency.

Mr Harris: I think the whole House has a perfect right to know what I had for breakfast this morning. I started with sausages, bacon and egg—only one, of course, because I am on a health kick. In tucking in, I was reassured by the fact that 90% of all the food purchased by the House is sourced in the United Kingdom, encouraging British growth and British jobs. Will the Secretary of State tell the House not what she had for breakfast—too much information already—but what proportion of food purchased by her own Department is sourced in the United Kingdom?

Mrs Spelman: I am sure the hon. Gentleman understands that World Trade Organisation rules mean that we can require purchasing to British standards in Government procurement, but we cannot require produce to be British. We adhere to those rules, and we actively promote Government buying standards involving all Departments sourcing food that is produced to British standards in order to promote those standards. In my own Department, the figure is 18%.

Miss Anne McIntosh (Thirsk and Malton) (Con): Many people are employed in rural areas, particularly the uplands, in livestock production. Does the Secretary of State share my concern about the conflicting messages from her Department and the Department of Health about the eating of meat, which could potentially have very damaging consequences for jobs and growth in rural areas?

Mrs Spelman: Clearly nutrition is a lead for the Department of Health, but it is quite clear that meat forms part of a balanced diet. I am very proud of the fact that producers in this country produce meat to the highest standards of animal welfare, food and hygiene anywhere in the world. As we have just discussed, we actively promote the consumption of food that is produced to those very high standards within Government and among the wider public.

Mary Creagh (Wakefield) (Lab): Labour believes that public procurement should be reformed to play its part in our economic recovery and to support jobs, skills and apprenticeships here in the UK. The Government spend £2 billion a year on food and are well placed to support British farmers and food businesses by buying British. I heard what the Secretary of State said and was unclear about the percentage that is sourced from UK producers, but her latest figures show that the Department bought less than a third of its food from UK producers in 2011. Why is that, and what does she intend to do about it?

Mrs Spelman: As we have discussed, the situation has not changed since the hon. Lady's party was in office. The difference is that the Government have placed a requirement on all Departments to procure food to British standards. As a shadow Secretary of State, she cannot encourage the Government of the day to breach WTO rules by calling for British products. That is the distinction. We want to encourage the industry to produce more food to the high standards that we require and to encourage Government Departments and the wider public to consume food that is produced to that very high standard.

Mary Creagh: The Secretary of State is confused. DEFRA Ministers are simply failing to deliver jobs and growth in the UK food industry, which is the country's largest manufacturing sector. We have seen how unfair competition from abroad for egg producers has been allowed—DEFRA is supine. My hon. Friend the Member for Ogmore (Huw Irranca-Davies), the shadow food Minister, has asked many questions, yet No. 10 has not revealed how much of its food is sourced from the UK. There is confusion across Government: some Departments reply on what British produce they bought, and some reply on food that is sourced to UK standards. Will she have a word and ensure that the next time guests sit down for dinner with the Prime Minister, the food they enjoy is 100% UK-sourced and that it supports jobs in this country?

Mrs Spelman: There is no confusion at all here. Government buying standards are mandatory across all Departments. They require food to be procured to British standards. That is compatible not only with WTO rules but with the rules that cover the operation of the EU internal market—the very basic framework that any Secretary of State or shadow Secretary of State should understand.

The hon. Lady also completely overlooks the importance of our drive on exports. I remind her that in the last year alone, there has been an 11.4% increase in food and drink exports from this country to the wider world.

Mr Speaker: Order. I am extremely grateful to the Secretary of State, but questions and answers are, frankly, too long. I am sure we will have a short—that is, single sentence—question from the hon. Member for St Ives (Andrew George).

Andrew George (St Ives) (LD): I shall do my best, Mr Speaker.

If British farmers are to compete on the world market, support systems must not simply allow British farmers to avoid creating the ranch-and-prairie environmental deserts that we clearly do not want. Does my right hon. Friend the Secretary of State believe that the common agricultural policy reforms are currently moving things in the right direction?

Mrs Spelman: Within the CAP proposals, there is an endeavour to balance the need to promote animal welfare and protection of the environment in parallel with

producing food sustainably, but the important thing in concluding trade deals with non-EU countries—2012 ought to the be the year of UK trade deals as emerging markets offer great potential to our industry—is to have the higher standards to which British food is produced recognised in the wider world and at global level.

Landfill

8. **Rehman Chishti** (Gillingham and Rainham) (Con): What steps her Department has taken to reduce the volume of waste going to landfill. [90500]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): Following the waste review, DEFRA has already implemented the responsibility deal on direct mail; consultation on higher packaging recycling targets; funding to local authorities to deliver waste treatment infrastructure; and a new reward and recognition scheme on recycling. We will consult this year on introducing restriction on the landfilling of wood waste. The landfill tax is a key driver in diverting waste from landfill, and it will increase to £80 a tonne in 2014-15.

Rehman Chishti: More than 6.7 million tonnes of food waste are discarded each year. Environmental waste management providers anticipate that food waste is likely to be banned completely from landfill soon. Will the Minister clarify whether and when that ban is likely to take place?

Richard Benyon: The Government are determined that no food waste should go to landfill. Recent figures show a 13% reduction in annual UK household food waste since 2006. That is welcome, but we are undertaking a number of actions to divert food from landfill, including a voluntary agreement with the hospitality and food sector, which will be launched in the spring, and our anaerobic digestion loan, the first of which—an £800,000 loan to an AD plant in Wiltshire—has just gone ahead.

Mr Ben Bradshaw (Exeter) (Lab): Is the Minister aware of the close correlation between high recycling rates, low landfill use and local authorities operating alternate weekly collections? Is he also aware that a recent survey by the *Western Morning News* showed that not a single local authority in the south-west is going to accept the cash bung from the Communities Secretary to reintroduce weekly non-recyclable collections? Will he tell the Communities Secretary that that money could be much better spent?

Richard Benyon: The right hon. Gentleman knows something that nobody else does, because no announcement has been made on which local authorities are accessing the scheme. I can assure him that it is a matter for local authorities; it is for them to discuss with their local electorate how they manage their waste policies, and it is for them to access the scheme, if they wish.

Tim Farron (Westmorland and Lonsdale) (LD): Does the Minister share my concern that Cumbria county council is planning to close household waste recycling centres in Ambleside and Grange-over-Sands, given that that will increase the amount of waste that goes to landfill?

Richard Benyon: I understand my hon. Friend's concerns. I do not know the circumstances in Cumbria, but I hope that other methods are being put in train by the county council to ensure that the drive for increased recycling continues and to compensate.

Forestry

10. **John Woodcock** (Barrow and Furness) (Lab/Co-op): What discussions she has had with the chair of the independent forestry panel on its interim report. [90502]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): The chair of the Independent Panel on Forestry informed the Secretary of State and me on 28 November last year of the content of the panel's progress report.

John Woodcock: But does the Minister accept the central recommendation from the interim report that the public forest estate should remain in public hands? What reassurance can he give the people of my constituency and the many thousands of others who enjoy nearby Grizedale forest that he has learned the lesson from the forest fiasco that marred the early months of this Administration?

Mr Paice: As I just said, this was a progress report. We await the final report some time later this spring. It is a report by the panel, and we will have to consider the panel's conclusions when we get the final report later this year. I cannot comment on detail on an interim report.

Graeme Morrice (Livingston) (Lab): What discussions has the Minister had with the devolved Administrations about the future of Forest Research?

Mr Paice: The hon. Gentleman puts his finger on an important point. As he knows, the Welsh Government have decided to take forestry into the remit of their own organisation. The Scottish Government are looking at the possibility of doing the same thing. That has implications for Forest Research and, indeed, for certain other Forestry Commission activities. I cannot give the hon. Gentleman a definitive answer, because we are still in negotiations, but we will ensure that any devolved Administration who take on a forestry role make sure that any costs on the English commission are properly funded.

Caroline Lucas (Brighton, Pavilion) (Green): The Government were deeply misguided in viewing our woodlands as assets for stripping, and the public told them so. Can the Minister assure the House that this lesson has been learned, by reassuring us that the Secretary of State will not dispose of the 15% of the public forest estate she was hoping to get rid of without legislation before she had to abandon the rest of her disastrous plans?

Mr Paice: The hon. Lady, as always, gets a bit hysterical. In fact, there never was any intention to dispose of the whole public forest estate. Nevertheless, as we have repeatedly said, all sales, of any scale, are suspended

until we get the final report. When we get the final report, we will then consider future policy, and not until.

Fiona O'Donnell (East Lothian) (Lab): Many happy returns, Mr Speaker.

I hope we can have a more reasoned and possibly less sexist response this time. The independent panel's report tells us of the value of the public forest estate in terms of the environment, the rural economy and public access. The Bishop of Liverpool told the Secretary of State that she had "greatly undervalued" our forests and that they should not be sold off, but expanded. Does the Secretary of State agree with the bishop? Will she complete the final curve of the U-turn and call off the sell-off of 15% of the estate? Yes or no?

Mr Paice: All sales are called off until we get the final report. Then we will wait—

Fiona O'Donnell: Suspended.

Mr Paice: Suspended, called off—I do not mind which word the hon. Lady uses: no sales will take place until the final report is in hand and the Government have digested it and decided on a way forward.

Groceries Code Adjudicator

11. **Mr Alan Reid** (Argyll and Bute) (LD): What discussions she has had with the Secretary of State for Business, Innovation and Skills on the effect on farmers of the legislative proposals in the draft Groceries Code Adjudicator Bill. [90503]

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): The Secretary of State has regular discussions with her opposite number in the Department for Business, Innovation and Skills on a range of issues, including on the establishment of a groceries code adjudicator.

Mr Reid: I am pleased that the Government are introducing the Bill. The groceries code adjudicator will be able to investigate abuses of the market by the big supermarkets. Preventing such abuse is very important to give farmers, particularly dairy farmers, a fair price for their produce. Will the Minister speak to the Government's business managers and urge them to introduce the Bill as soon as possible?

Mr Paice: I am certain that my hon. Friend the Deputy Leader of the House has heard my hon. Friend's words. I assure him that I entirely agree with him.

Business Support (Rural Communities)

12. **Neil Parish** (Tiverton and Honiton) (Con): What support she is providing to rural communities to encourage enterprise and growth. [90504]

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): DEFRA is working with the Department for Business, Innovation and Skills and the Department for Communities and Local Government to ensure that measures designed to support business and the economy have a proportionate and positive impact in rural areas. On 29 November last year, the Government announced a strong package of new measures designed to stimulate sustainable growth in the rural economy and to help rural businesses to reach their full potential.

Neil Parish: Devon and Somerset are making a bid for £15 million of rural growth network funds. Tourism, farming and business can all come together, along with infrastructure, but it needs to be co-ordinated. I support their bid and would like the Government to consider it sympathetically.

Richard Benyon: I am aware that the local enterprise partnership has made a strong bid, but it is one of many—we are excited by the response—and I cannot say at this stage whether I prefer one over another. Nevertheless, I wish them the best of luck in the transparent process of being accepted as one of the pilot schemes.

Toby Perkins (Chesterfield) (Lab): The Minister will be aware of the importance of the food industry to the rural economy. We heard previously that the Government are doing nothing on procurement to support the industry. What impact does he think that the cuts to the annual investment allowance will have on those businesses and their difficulties investing in new equipment to drive forward the food industry in this country?

Richard Benyon: Support for the food and drink industry was very much part of the process of the rural growth review, because the industry is a big employer in rural areas. Also, the tourism package that we are implementing will permit further input for local food initiatives. That comes alongside cross-Government plans to reduce regulation and improve the framework for businesses in the food sector. The industry has a real friend in this Government.

Topical Questions

T1. [90513] **Gavin Barwell** (Croydon Central) (Con): If she will make a statement on her departmental responsibilities.

The Secretary of State for Environment, Food and Rural Affairs (Mrs Caroline Spelman): My Department takes responsibility for safeguarding the environment, supporting farmers and strengthening the green economy. Essential to each of those is water supply. In that context, my Ministers and I will focus extensively on water resources over the coming year, seeking to avoid unnecessary supply restrictions. Last month, I issued a drought order to South East Water to protect supplies to customers in Sussex. Next month, we shall hold the next in a series of drought summits, and thereafter the Environment Agency will update the drought prospects report. With luck, holding a drought summit tends to bring on the rain. I saw that it rained this morning; we need a lot more of that.

Gavin Barwell: Three months ago, my local authority, Croydon, introduced a food waste recycling service, which is on course to divert nearly 12,000 tonnes of household waste from landfill. Will the Secretary

of State congratulate Croydon on its work, and will she tell us what the Government can do further to develop the market for other recyclables?

Mrs Spelman: I congratulate Croydon council on that new development. We certainly see the opportunity for local authorities up and down the land to introduce a waste food collection scheme that feeds into anaerobic digestion and, in turn, produces a renewable source of energy. Croydon council predicts that it will help the borough to increase its recycling rate from 32% to 46%, which, therefore, has the full support of the Government.

T2. [90514] **Chris Evans** (Islwyn) (Lab/Co-op): In November 2010, I was one of the 5,000 people attacked by a dog since the consultation on dangerous dogs closed in June 2010. For fear of being called to order by you, Mr Speaker, I will not raise my middle finger to the Minister to show him the 1-inch scar left following the attack, but will he bring forward the proposals on dangerous dogs before the February recess?

The Minister of State, Department for Environment, Food and Rural Affairs (Mr James Paice): We are close to finalising a package of measures to tackle irresponsible dog owners—I am very sorry to hear that the hon. Gentleman has been the victim of such an attack—and we will be announcing those measures soon. In putting the package together, we have considered the benefits of compulsory microchipping of dogs and extending the current law to cover private property, so that the police can deal more effectively with out-of-control dogs on private property. The final package will cover future Government handling of such issues, as well as other plans to improve standards of dog ownership.

T3. [90515] **Caroline Dinenage** (Gosport) (Con): Bearing in mind the years of chaos and the continued uncertainty about the future development of the Port of Southampton, can the Minister tell me what conversations have taken place with the ports Minister about how the Marine Management Organisation operates?

The Parliamentary Under-Secretary of State for Environment, Food and Rural Affairs (Richard Benyon): I have had conversations with the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), about this. The consultation ends on 22 February. I can assure my hon. Friend that there is a real drive among Ministers, and also in the MMO, to see an early resolution to the matter following the end of the consultation.

T5. [90519] **Kate Green** (Stretford and Urmston) (Lab): Following the Government's admission that the UK remains in breach of EU pollution legislation, can the Secretary of State tell campaigners such as the Breathe Clean Air Group in my constituency what steps she is taking to address concerns about the impact of biomass emissions on air quality?

Mrs Spelman: We have worked hard with the Commission on air quality. We have brought a number of suggestions to the Commission about how we might help to improve air quality, particularly in urban areas, working closely with the Mayor of London, and also with other cities and their local authorities. The question of biomass emissions is part of that, but with technology advancing, it is possible to have a closed loop fermentation process, thereby minimising the impact of any emissions into the atmosphere.

T4. [90516] **Rehman Chishti** (Gillingham and Rainham) (Con): What is DEFRA doing to ensure that the British horticultural industry is not disadvantaged by the Rural Payments Agency suspending 17 producer organisations from the European fresh fruit and vegetable scheme?

Mr Paice: My hon. Friend is right to raise this issue. The European auditors decided a couple of years ago that we were not complying with the scheme, so unfortunately those 17 organisations have been suspended. I can tell him that the RPA is working closely with them to find ways to alter their operations so that they meet the criteria and can re-enter the scheme as soon as possible.

Hugh Bayley (York Central) (Lab): Would the Minister responsible for fisheries be prepared to meet the Yorkshire wildlife trust and other wildlife trusts to discuss the pace at which the Government are moving towards designating marine conservation zones?

Richard Benyon: I have meetings with the Yorkshire wildlife trust—I am a great fan—and would be happy to meet it again. The chairman of the Yorkshire wildlife trust is Professor Lawton, who has talked to me about that and other matters. I can assure the hon. Gentleman that we are moving ahead as fast as we can. We have a cumbersome process, which we inherited, but I can assure him that we will be able to designate in accordance with the statement I issued before Christmas.

T6. [90520] **Andrea Leadsom** (South Northamptonshire) (Con): I know that my hon. Friend shares my view that canals and waterways are a great asset to Britain. In my constituency, we have the Stoke Bruerne canal museum and the Grand Union canal, with all the tourism and leisure activities that that brings. Can he update the House on progress towards creating a charity out of British Waterways and tell us what he thinks that will do to improve British tourism?

Richard Benyon: The museums have been a crucial part of the consultation up to this point. The negotiations with the trustees are at a final stage. They are going well, and I hope to be able to make an announcement shortly. I believe that the new charity will have a huge impact on the use of canals and on facilities such as the museums.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): The Secretary of State held a number of round-tables in October with civil society organisations and business about the run-up to the Rio+20 conference next year. Can she tell us what specific measures she is taking to encourage those organisations to get involved in preparing the UK position at that conference—and may I ask her, with respect, to give us some specific measures, not a reference to "ongoing engagement" or something of that nature?

Mrs Spelman: I did indeed come straight back from a ministerial preparatory conference in Delhi, step off the plane and brief two large groups—the business community and the NGO community—at round-tables, the reason being that the Brazilian hosts intend in the days preceding the ministerial segment for business and for civil society to have a specific convention on sustainable development 20 years on from the original summit. We are seeing some early proposals from the Colombians on sustainable goals. In the run-up to Rio, we should reconvene the round-tables when there is something a bit more specific on the table, and work closely with both groups, the important thing being to get a good UK attendance.

T7. [90521] **Henry Smith** (Crawley) (Con): The Food Standards Agency recently announced proposals for changes to the meat hygiene charging system, and I would be grateful to hear my hon. Friend's views on them.

Mr Paice: As my hon. Friend says, the Food Standards Agency has produced proposals that would lead to full cost recovery, a principle with which the Government agree. However, the magnitude of the increases for some abattoirs is extreme, and we are looking at that matter with concern because we clearly do not want abattoirs to be driven out of business.

Mr John Denham (Southampton, Itchen) (Lab): Further to the question from the hon. Member for Gosport (Caroline Dinenage), is the Minister aware that, in Westminster Hall yesterday, the shipping Minister described the five years of delays in Southampton's port investment as a "cock-up" by the Marine Management Organisation and its predecessors? In the light of that, can he assure us that the MMO will have all the resources and expertise that it needs to deal with the application in a timely manner when the consultation ends?

Richard Benyon: I can give the right hon. Gentleman that assurance. This has been a complex process, because that action was brought by another company. We want to ensure that the matter is resolved as quickly as possible, and I can assure him and other Members that Ministers in both Departments will work with the MMO to find an early resolution to it.

T8. [90522] **George Freeman** (Mid Norfolk) (Con): Does the Minister share my concern at the recent decision by the Food Standards Agency to turn down a licence application by Cranswick Country Foods to export to China? The matter was also raised last week at Prime Minister's questions by my hon. Friend the Member for Beverley and Holderness (Mr Stuart). Will the Minister give us some advice on how to bring pressure to bear on the FSA?

Mr Paice: I have already agreed to meet my hon. Friend the Member for Beverley and Holderness (Mr Stuart), and if my hon. Friend the Member for Mid Norfolk (George Freeman) wishes to attend that meeting, he will be extremely welcome. I cannot go into details now, but I must make the point that the role of the FSA is to ascertain whether the abattoirs meet the standards laid down by the Chinese; it is effectively acting as an agent for the Chinese Government in this instance.

Kerry McCarthy (Bristol East) (Lab): The Minister will know that there is widespread opposition in the south-west to badger culls in our local communities, not least because the scientific evidence shows that such culls are completely ineffective in curbing bovine tuberculosis. Now that the two pilot areas have been announced, what steps will the Minister be taking to consult local people?

Mr Paice: The answer to that question is in the written statement, but let me repeat what the Government have announced this morning. There are two areas in which the farmers will be invited to apply for a licence. The process from here on is in the hands of Natural England, and it includes a consultation with local people to ascertain their views. That will happen before Natural England decides whether to grant licences to those groups.

CHURCH COMMISSIONERS

The hon. Member for Banbury, representing the Church Commissioners, was asked—

Metal Theft

1. **Diana Johnson** (Kingston upon Hull North) (Lab): What recent estimate the Church Commissioners have made on the cost of metal theft from Church of England property. [90483]

6. **Mr James Gray** (North Wiltshire) (Con): What estimate the Church Commissioners have made of the number of churches from which lead has been stolen in the last 12 months. [90488]

The Second Church Estates Commissioner (Tony Baldry): Ecclesiastical, the insurance company that insures the vast majority of churches, reports that last year alone more than 2,500 churches suffered thefts of lead, and that the cost of the resulting claims was about £4.6 million. Each of those claims represents a loss to a local community and a distraction to parishes from using their resources for local community life.

Diana Johnson: I am grateful to the hon. Gentleman for his response. I know that Members on both sides of the House are concerned about the theft of metal from churches and from war memorials, and we hope that legislation or regulation will be introduced fairly quickly to deal with the problem. Can the hon. Gentleman confirm that Ecclesiastical has placed a cap of £5,000 on claims against thefts of metal from churches? If that is correct, what is he doing about it?

Tony Baldry: Ecclesiastical is a private insurance company; it has nothing to do with the Church Commissioners. It has to make commercial decisions about the cover that it can provide to churches, and it has clearly taken the view that churches that have had lead stolen from them present a higher risk in regard to actuarial cover. That is all the more reason for us to find a resolution to the problem of metal theft as soon as possible.

Mr Gray: My hon. Friend may recall that last time we met I raised with him the issue of metal theft from war memorials that happened to be on church property. Since then, I have had meetings with people at the Imperial War museum, who told me that, of the estimated 100,000 war memorials in England today, only 60,000 are recorded. Will my hon. Friend enter into discussions with the Imperial War museum—perhaps in association with the Heritage Lottery Fund—to find not only funding but volunteers, so that we can complete the registration of all 100,000 war memorials?

Tony Baldry: As we come to the anniversary of the first world war from 2014 to 2018, I am sure that there will be considerable interest in war memorials. In my constituency and elsewhere, parishioners are writing books recording the history of those who took part, and I am sure that the Church would want to co-operate constructively with the Imperial War museum, the War Memorials Trust and any other organisation that sought to ensure that we protect war memorials. The theft of lead from war memorials is a particularly despicable crime.

Mr Speaker: I call Dr Thérèse Coffey. Not here.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

Income and Expenditure

3. **Mr Peter Bone** (Wellingborough) (Con): What the (a) income and (b) expenditure was of the Electoral Commission in the last year. [90485]

Mr Gary Streeter (South West Devon): The Electoral Commission's audited report and accounts for the last financial year showed a net operating expenditure of £21.6 million and capital expenditure of £1.6 million. All expenditure was financed by income from the Consolidated Fund. The commission also received income of £148,000 from political parties, arising from registration fees and penalties for failure to comply with the rules on party and election finance.

Mr Bone: I am grateful for that reply in which we heard that £21 million is being spent. Does the Electoral Commission really need seven executives earning at a rate of more than £90,000 a year? Should there not be some cutbacks there?

Mr Streeter: My hon. Friend will be pleased to know that the Electoral Commission will be reducing its core costs by 30% between now and 2014-15. The Speaker's Committee takes this issue extremely seriously, and it is delighted that the Electoral Commission has come forward with a number of cost-saving measures. It is determined to deliver them and it will deliver them.

Mr Andrew Love (Edmonton) (Lab/Co-op): In light of the recent Electoral Commission report on registration, which showed a much larger number of unregistered people throughout the country, what consideration is being given to strengthening the Electoral Commission's role to ensure that that does not deteriorate in future years?

Mr Streeter: The hon. Gentleman raises a very important point. As he knows, the primary responsibility for electoral registration rests with electoral registration officers. The Electoral Commission has made a number of representations to the Government for enhanced powers to intervene and direct where electoral registration officers are not coming up to the standards that we believe are appropriate in a locality.

CHURCH COMMISSIONERS

The hon. Member for Banbury, representing the Church Commissioners, was asked—

Christian Communities (Nigeria)

4. **Mr David Nuttall** (Bury North) (Con): What plans the Church Commissioners have to provide support for Christian communities in Nigeria. [90486]

The Second Church Estates Commissioner (Tony Baldry): Lambeth palace is in regular contact with the Anglican Church in Nigeria. Following a meeting with the Primate of Nigeria last year, the Archbishop of Canterbury has continued to be closely in touch with him about the ongoing situation in the region. The Bishop of Durham, the Right Reverend Justin Welby, is currently visiting Nigeria on behalf of the archbishop. The Church of England supports the work of the Anglican communion in working with the Church of Nigeria to end the murder and violence. It is putting its efforts into supporting movements for peace and reconciliation within the northern and central belt communities of Nigeria.

Mr Nuttall: As my hon. Friend will be aware, attacks on Christians in Nigeria have greatly increased in recent weeks, largely due, it seems, to the activities of the Boko Haram group. Will my hon. Friend join me in condemning those attacks and urge the Church Commissioners, after considering the findings of the Lord Bishop of Durham, to take whatever action is necessary to bring such attacks to an end?

Tony Baldry: I think everyone in the House would agree that to murder people simply for their religion or simply because they are Christians is totally barbaric, taking us back through the centuries. I very much hope that the Government of Nigeria will do everything they can to prevent the continuing murder of Christians. It is particularly disturbing that the person accused of bombing St Theresa's church just outside Abuja was found hiding in the home of a local state governor.

Several hon. Members *rose—*

Mr Speaker: I am keen to maximise the number of contributors.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): I think this is the third month in a row in which the hon. Gentleman has had to answer questions relating to persecution or discrimination against Christians. Does he agree that the issue of persecution of Christians—or,

indeed, of those of any faith—must now be taken much more seriously by international agencies, by this Government and by other bodies that can play a role?

Tony Baldry: I entirely agree.

Simon Hughes (Bermondsey and Old Southwark) (LD): My borough contains the largest African community in Britain. Will the hon. Gentleman consider whether the Church Commissioners might communicate better to Christian Africans in Britain what is being done by the Church in Nigeria and, indeed, in Zimbabwe, which is the subject of the next question? Will he also contemplate sending a small group of Church representatives who are from Nigeria and Zimbabwe to those countries, where they may be able to build a bridge?

Tony Baldry: The right hon. Gentleman has made two very good suggestions, which I will discuss with those responsible at Lambeth palace.

Christians (Zimbabwe)

5. **Martin Vickers** (Cleethorpes) (Con): What steps the Church Commissioners are taking to support and monitor the treatment of Christians in Zimbabwe. [90487]

Tony Baldry: Following a visit by the Archbishop of Canterbury to the region, where he and other bishops from southern Africa presented President Mugabe with a dossier of the abuses suffered by the Anglican community over recent years, the Church is very concerned about the increase in hostilities towards Anglicans in Zimbabwe in the past few months. Most recently, on 2 January, local security forces forcibly evicted 80 clergy who had assembled peacefully for an annual retreat.

Martin Vickers: The attacks on the Christian community should be roundly condemned. The Christian community in Zimbabwe will have valued and felt greatly strengthened by the archbishop's recent visit, but, as the Bishop of Harare observed recently, the persecution continues. Can my hon. Friend assure me that the Church Commissioners, in co-operation with the Government, will continue and, indeed, increase the pressure?

Tony Baldry: I can certainly give that assurance. I think it particularly despicable that it is now necessary to obtain police permission to gather for prayer in Zimbabwe: that is exceptionally sad. We will continue to co-operate with whoever can help us to exert pressure to ensure that Christians in Zimbabwe and elsewhere in the world are free to worship as they wish.

ELECTORAL COMMISSION COMMITTEE

The hon. Member for South West Devon, representing the Speaker's Committee on the Electoral Commission, was asked—

Voter Registration

7. **Mr Robert Buckland** (South Swindon) (Con): What steps the Electoral Commission plans to take on voter registration in areas where it is low. [90489]

Mr Gary Streeter (South West Devon): The Electoral Commission's research has identified some categories of people who are less likely to be registered, including those in private rented accommodation, those who have recently moved house, those aged 18 to 35, and certain minority ethnic groups. The commission directs its public awareness activities towards those groups. However, it encourages not just electoral registration officers but all colleagues who take a close interest in the matter to do all that they can to deal with the issue of low voter registration.

Mr Buckland: We in Swindon are lucky enough to have dedicated electoral registration officers, but performance across the country is patchy. We have been hearing of the possibility of enhanced powers for the Electoral Commission. How quickly can those powers be awarded in order to ensure that we obtain the highest possible level of electoral registration throughout the country?

Mr Streeter: My hon. Friend has raised an important point. As he says, the performance of electoral registration officers around the country can be patchy. The Electoral Commission works with EROs up and down the land to try to improve their performance, but the process would be enhanced if the Government gave the commission additional powers. When that will happen lies in the hands of the Government, but I am sure that Ministers have listened carefully to this exchange of views.

CHURCH COMMISSIONERS

The hon. Member for Banbury, representing the Church Commissioners, was asked—

Marriage

9. **Andrew Selous** (South West Bedfordshire) (Con): What recent discussions the Church Commissioners have had with Ministers on the Government's forthcoming consultation on marriage. [90491]

The Second Church Estates Commissioner (Tony Baldry): There have already been discussions between Church representatives and Government Ministers on this subject, and more are in prospect. It will come as no surprise to the House that the Church of England holds firmly to the view that marriage is a lifelong union between a man and a woman.

Andrew Selous: What reassurance can my hon. Friend give churches in my constituency, which have contacted me about their fear that they may be prosecuted for discrimination if they persist with traditional marriage?

Tony Baldry: The Government have given an assurance that that is not the case. The law states plainly that individual denominations may make perfectly clear that they can continue to ensure that marriage is celebrated between a man and a woman, and the Church of England will continue to do so.

Cathedrals

10. **Sarah Newton** (Truro and Falmouth) (Con): How much funding the Church Commissioners have made available to cathedrals in the last year. [90492]

Tony Baldry: Next year the Church Commissioners will give Truro cathedral some £348,000 towards the operation and running of the dean and chapter, a 4% increase. The cathedrals building division will of course continue to look sympathetically on any specific request from Truro for support relating to the fabric of the cathedral.

Sarah Newton: I are grateful for that response to the discussions that we have been having. Truro cathedral plays a vital role in the city, not only through its ministry but through its contribution to quality of life and the local economy. I welcome the support that the Church Commissioners are giving to the cathedral, and I hope that they will continue to look favourably on the work that it is doing in its Aspire project.

Tony Baldry: I entirely agree with my hon. Friend. Nowhere else in England are the early Celtic roots of Christianity so obvious as in Cornwall, with its profusion of local saints. Truro has the distinction of being the first entirely new cathedral foundation since the Reformation. Like other cathedrals, it plays an important part in the life of the local community and the county, and the Church Commissioners will continue to give the cathedral of Truro every possible support.

Jonathan Ashworth (Leicester South) (Lab): The hon. Gentleman will know that other cathedrals have also suffered from metal theft in recent days; there were reports in the newspapers this week of Manchester cathedral being hit. Given the impact of metal theft and further to the hon. Gentleman's earlier answer, will he tell us how many churches and cathedrals have applied for support from the listed places of worship grant scheme and whether the scheme is sufficient to meet demand?

Tony Baldry: There will always be considerable pressure on the listed places of worship grant scheme. Let us be clear that there is no way that the Church of England or any other Church can cope with the present level of theft of lead from churches and cathedrals. I hope that the Government will introduce measures to amend the Scrap Metal Dealers Act 1964 as soon as possible to stop that continuing violation of our national heritage.

Business of the House

11.31 am

Ms Angela Eagle (Wallasey) (Lab): Will the Leader of the House give us the business for next week?

The Leader of the House of Commons (Sir George Young): The business for next week is as follows:

MONDAY 23 JANUARY—Opposition day (un-allotted day). There will be a debate on rising food prices and food poverty followed by a debate on youth unemployment and taxation of bank bonuses. These debates will arise on an Opposition motion.

TUESDAY 24 JANUARY—Continuation of consideration in Committee of the Local Government Finance Bill (day 2).

WEDNESDAY 25 JANUARY—European document relating to EU criminal policy. To follow, the Chairman of Ways and Means has named opposed private business for consideration.

THURSDAY 26 JANUARY—General debate on progress on defence reform and the strategic defence and security review. The subject for this debate has been nominated by the Backbench Business Committee.

The provisional business for the week commencing 30 January will include:

MONDAY 30 JANUARY—Second Reading of the Civil Aviation Bill.

TUESDAY 31 JANUARY—Conclusion of consideration in Committee of the Local Government Finance Bill (day 3).

WEDNESDAY 1 FEBRUARY—Consideration of Lords Amendments.

THURSDAY 2 FEBRUARY—General debate. Subject to be announced.

I should also like to inform the House that the business in Westminster Hall for 2 February will be:

THURSDAY 2 FEBRUARY—Debate on Network Rail.

This year marks the happy occasion of the Queen's diamond jubilee and I am today able to announce that an early celebration of that magnificent anniversary will be the attendance of the two Houses on Her Majesty in Westminster Hall for the presentation of Humble Addresses on the morning of Tuesday 20 March. On a day before then, which will be announced in a forthcoming business statement, there will be a debate on the motion

"That an humble Address be presented to Her Majesty on the occasion of the 60th anniversary of her accession to the throne."

I hope the House joins me in looking forward to an important and happy event. On that theme, Mr Speaker, although the score is somewhat lower, may I wish you many happy returns of the day?

Ms Eagle: We all look forward to being able to celebrate the Queen's jubilee, a remarkable achievement and a very happy reign.

Yesterday's unemployment figures were desperate. There are now almost 2.7 million people without a job in this country, a 17-year high. This week, two independent reports predicted that the worst is still to come. One said unemployment would increase to a staggering 3 million, the other that it would not fall for four more years, yet all we get from the Government is talk and no action.

On Tuesday, the Economic Secretary actually boasted that the cost of living was coming down. Over the past year, unemployment has gone up by 17% in her constituency, so does the Leader of the House agree she is now a leading contestant to be this week's most out-of-touch Minister? The Economic Secretary's boss, the Chancellor, had to fly halfway around the world to Hong Kong before he felt he had sufficient distance between himself and his Back Benchers to announce that the Government would be willing to increase International Monetary Fund funding. While I understand why he might have wanted to make such an announcement 6,000 miles away, would it not have been better if he had made a statement to this House?

On 6 December, the House voted overwhelmingly to continue a debate on the economy in Government time. Given that the parliamentary managers are yet again struggling to fill the Commons timetable as a consequence of their gross mishandling of their legislative agenda, will the Leader of the House now bow to the clearly expressed view of this House by letting the Chancellor know that it is safe to come home and by finding time for a debate on the Government's mishandling of the economy?

Will the Leader of the House assure me that if we finally get an announcement on tackling executive pay, the Business Secretary will make it to this House first? It is unacceptable that he appears to have lined up a speech to a think-tank next week to make this announcement. He should make a statement to this House and then give a speech to a think-tank, not the other way around. With bankers set to award themselves massive bonuses while millions of hard-pressed families are struggling to make ends meet, we need Government action now, not promises of action at some point in the future or lectures to think-tanks.

Up to 100,000 people died during the famine in the horn of Africa last year. The House will have seen the report that found that this tragedy could have been averted if the international community had responded faster. There is now a growing food crisis in the west of Africa. Will the International Development Secretary make a statement to reassure the House that mistakes made in the horn of Africa last year are not being repeated in the west of Africa this year?

This week, the Government announced a commission into the so-called West Lothian question. Rather than following the cross-party approach we took when setting up the Calman commission and the current Welsh Secretary took when establishing the Silk inquiry—both of which were on devolution matters—the Government have, outrageously, chosen to proceed without any input at all from opposition parties. It is difficult to conclude anything other than that this is yet again constitutional tinkering to secure partisan electoral advantage. Will the Leader of the House explain why cross-party agreement was not even sought?

Tomorrow there is legislation before this House—not Government legislation, needless to say—to clamp down on metal theft. Will the Government confirm that they will now support this important piece of legislation, given the growing problem, as highlighted in Question Time?

We learned from yesterday's *Telegraph* that the Government are to launch a consultation on building a new airport in the south-east. Had the Transport Secretary announced it last week when she was before this House, Members would have had the opportunity to question her. According to media reports, a Conservative source said there were timetabling problems because "at the last minute" the Deputy Prime Minister "stepped in to block" that. Coalition infighting may explain the discourtesy to this House, but it does not excuse it. Will the Leader of the House tell us how much this consultation will cost?

I am sure the Education Secretary deeply regrets the fact that coalition tensions mean his confidential Cabinet correspondence has been leaked to the media. Will the Leader of the House confirm that a leak inquiry has been set up? Is not the leaking of Cabinet correspondence the latest sign of growing coalition disarray? The Liberal Democrat leader now spends his time doing interviews claiming credit for allegedly blocking Conservative proposals. In turn, an ally of the Prime Minister is quoted in the *Telegraph* saying of the Deputy Prime Minister:

"No one has noticed, but there isn't much about him that is British."

What sort of Government do we have when the announcement of important infrastructure proposals is delayed by coalition infighting, and when the Transport Secretary then announces that policy—in the media—the Deputy Prime Minister briefs the media that he is going to veto it anyway? This is a complete and utter mess.

We learned from *Now* magazine that the Prime Minister and his wife have a "date night" each week. Given coalition tensions, perhaps Conservative Cabinet Ministers should have date nights with their Liberal Democrat colleagues. May I suggest that the Education Secretary might want to go on a date with the Energy Secretary to discuss the leaking of Government correspondence? I can understand that no Minister would want to ruin their evening by spending it with the Deputy Prime Minister, but perhaps someone could take out the Business Secretary to remind him that since joining the Government he has abandoned everything he said on the economy when in opposition.

Finally, Mr Speaker, I am reluctant to draw attention to your birthday in case the Prime Minister now starts poking fun at you because of your age, but happy birthday—I hope you have a good one.

Sir George Young: There will be an opportunity to debate unemployment on Monday, as I note that the Opposition have allocated half a day to it. I just make the point that youth unemployment increased by 40% when world trading conditions were benign and, obviously, it is a challenge for any Government, particularly one tackling a huge deficit, to deal with youth unemployment when world conditions are less benign than they were, but the Government will be happy to set out on Monday the steps that we are taking—the youth contract, the Work programme, and the initiatives on apprenticeships and work experience, among others—to bring down youth unemployment.

This country is a good supporter of the IMF, and there are no firm proposals from the IMF at the moment to increase contributions. Our position has not changed: we have been prepared to provide resources in the past and we would be willing provide them in the future if a strong case is made, but we have made it absolutely clear that the IMF cannot lend money to support a currency and, of course, we would have to come back to Parliament if the request took the Government over the limit that has been voted on.

On legislation, and returning to what the shadow Leader of the House has said in past weeks, I hope she will welcome the fact that a lot of legislation is to be dealt with in the two weeks that I have just announced, with three days of it in the second week. On debating the economy, I just remind her that we had no debate on the pre-Budget report in one year when her Government were in office and had sole control of the timetable. Indeed, we went for months without any debate on the economy under a Labour Government. On the Business Secretary, he is well aware of the ministerial code, which of course he will observe; all important announcements of policy will be made, in the first instance, to the House of Commons.

I am surprised that the shadow Leader of the House raises the matter of bank bonuses, because the Labour party did absolutely nothing about them when it was in government. We have already had the Merlin agreement last year, which capped cash bonuses at £2,000, and she must await further announcements about what we plan to do about executive pay.

On what the shadow Leader of the House said about Somalia, my view is that this country led the way in the support that we extended to Somalia and that if other countries had responded as proactively as we did, the harm might have been reduced. However, I will pass on to my right hon. Friend the Secretary of State for International Development the point that she made about learning any lessons.

The coalition agreement contained a clear commitment to establish a commission to look at the West Lothian question. That question was one of the many unanswered constitutional issues we inherited from the outgoing Government. On metal theft, the hon. Lady must await the views of the Government, which will be set out in response to the debate tomorrow on a private Member's Bill.

On airports, the coalition parties are united in rejecting a third runway at Heathrow—the Labour party backed that runway in government but they have now joined us in opposing it in opposition. No decisions have been taken on the estuary airport. As the Chancellor made clear in his autumn statement,

"we will explore all the options for maintaining the UK's aviation hub status, with the exception of a third runway at Heathrow."—[*Official Report*, 29 November 2011; Vol. 536, c. 806.]

We will consult on an overarching sustainable framework for UK aviation this spring and publish a call for evidence on maintaining effective UK hub airport connectivity.

On relationships within the coalition, my hon. Friend the Deputy Leader of the House and I are at one; we are as brothers in our approach to the issues for which we have responsibility, and not a cigarette paper could be found between us on any issue.

Claire Perry (Devizes) (Con): On Saturday, I was pleased to welcome the current and former chairman of the all-party angling group to my constituency where

[Claire Perry]

we waded—or rather, walked, because we did not have to wade—down the dry river bed of the River Kennet, which is a world famous chalk river. Could we have a debate on the water White Paper, which sets out proposals for changing abstraction regimes, as we as MPs would like to know more about the detail?

Sir George Young: I am grateful to my hon. Friend and parliamentary neighbour for the point she makes and for her interest in angling. I cannot promise a debate on the White Paper in the very near future, but she might like to apply for a Backbench Business Committee or Westminster Hall debate on what is one of the most popular recreational activities in the country.

David Wright (Telford) (Lab): The Government have made an announcement on High Speed 2. They are also hinting at having a new airport in the Thames estuary, which the Leader of the House has already mentioned. What local people in Telford want is improved rail services connecting to Birmingham so that they can connect to High Speed 2. May we have a debate in the House on local rail services?

Sir George Young: I announced a few minutes ago that there would be a debate on Network Rail, which I very much hope will provide an opportunity for the hon. Gentleman to pursue his legitimate constituency interests. We will set out the infrastructure investment that we are putting into the railway system, including new carriages, investment in new lines and increases in capacity, which I hope he will welcome.

Sir Bob Russell (Colchester) (LD): The Royal Bank of Scotland was bailed out with billions of pounds of public money, saving thousands of RBS jobs, presumably including those of the people who currently run it. However, RBS is pushing Peacocks department stores, which account for 700 shops and 10,000 jobs, towards administration. Is it not the role of the Government to intervene, when they own the bank, and can we have a debate on that?

Sir George Young: I understand my hon. Friend's concern about the future of Peacocks, but I would be cautious about the Government intervening and trying to micro-manage lending decisions, which are best taken by the banks. There will be an opportunity to raise the issue of bank bonuses on Monday, but I shall draw his concerns about the future of Peacocks to the attention of the Business Secretary to see whether there is any action we can take to minimise the pain.

Keith Vaz (Leicester East) (Lab): May I declare my interest and remind the Leader of the House that 80% of amputations due to diabetes could be prevented and that 24,000 people with diabetes died last year because they could not manage their condition properly? May we have an urgent statement from the Government about what their diabetes strategy will be in the new health reforms?

Sir George Young: I thank the right hon. Gentleman for bringing this important issue to the House's attention. We do have a strategy for trying to reduce the harm that is done by diabetes. I think it would be an appropriate subject for a debate in Westminster Hall, where we could set out our strategy in more detail, but he is right—there is a growing incidence of diabetes and there is an imperative to take action to try to minimise the harm it does.

Mr John Redwood (Wokingham) (Con): May we have an early debate on who speaks for England and who should make decisions for England in an increasingly devolved United Kingdom?

Sir George Young: I understand my right hon. Friend's concern. We announced on Tuesday the establishment of the West Lothian commission, which will look at a range of options. For example, with issues that affect only England and Wales, one option would be that only English and Welsh MPs voted on such matters. In my view, that would be an appropriate rebalancing of the constitution to take account of the fact that in Scotland they have their own Parliament in which issues are resolved on which English MPs cannot vote. It seems somewhat perverse that Scottish MPs can vote on those very same issues when they apply only to England.

Jim Sheridan (Paisley and Renfrewshire North) (Lab): May I welcome the Government's announcement that during these difficult economic times no taxpayers' money will be used to fund any building of the royal yacht? May I also ask the Leader of the House to assure hon. Members that that will include publicly owned bodies such as the banks, either directly or indirectly?

Sir George Young: The Government have made their position clear. We think the offer is generous but we have made it absolutely clear that no taxpayer money can be involved. I cannot add to what has already been said.

Mr Charles Walker (Broxbourne) (Con): May we have an urgent debate on the conduct of a Mr Scott Venning and his company City Watch parking, a seemingly criminal organisation with shaven-headed enforcers who lift people's cars and then extort money to return them?

Sir George Young: My hon. Friend uses robust language. I know, because he has raised the subject before—it is a matter of deep concern—that he knows that the Protection of Freedoms Bill is currently in another place, and that when the Bill hits the statute book, hopefully in May, it will be an offence to clamp on private land and incidents of the sort that my hon. Friend has mentioned will simply be outlawed. In the meantime, I can only suggest that he uses his eloquence to try to get redress for his constituent from the offending company.

Mr Speaker: I am sure that the hon. Member for Broxbourne (Mr Walker) has not got anything against people with shaven heads, or who happen to have less hair than other people have, but we will leave it there.

Graham Jones (Hyndburn) (Lab): Following on from the comments by the right hon. Member for Wokingham (Mr Redwood), I am happy to report that there is an addition to the big society, and that is the Hannah Mitchell Foundation for the devolution of the north of England. Given the Government's austerity programme,

which is attacking people in the north of England, and the effect that is having, we are seeing a north-south divide, and it is becoming a major issue. Will there be a debate in Government time on the devolution of England, and the opportunity for northern England to seek the same position that Scotland and Wales have?

Sir George Young: I remind the hon. Gentleman that his Government went there and tried to sell devolution to the north-east. There was a resounding humiliation for that Government in the referendum on that. I detect no appetite at all for the sort of initiative that he mentions.

Tony Baldry (Banbury) (Con): Will my right hon. Friend confirm that if ever there are proposals before the House to change the status of marriage, any votes will be on a free vote?

Sir George Young: The issue of the guidance that may be given to my hon. Friends in the event of a vote would be a matter for the Parliamentary Secretary to the Treasury, another of my brothers. My hon. Friend is way ahead of the game on this, in that we are about to consult in March on a range of options, including equal civil marriage. At the end of that consultation period there will then be proposals and possibly legislation, and it will be at that point that decisions will need to be taken about the status of any votes on that legislation.

Luciana Berger (Liverpool, Wavertree) (Lab/Co-op): In the aftermath of last summer's disturbances, the Prime Minister said that his Government would help affected businesses to get up and running quickly. However, a complex and bureaucratic application process has left nine out of 14 businesses in and around my constituency still waiting and unable to restock effectively. May we have an urgent statement, updating the House on those businesses still waiting for compensation, and what the Government are going to do to help our small businesses, which are the lifeblood of our economy?

Sir George Young: The hon. Lady is right that the Government made funds available. There was one source of funds, through the police authorities under the Riot (Damages) Act 1886, and there was another source of funds, I think through the Department for Communities and Local Government. I will pursue the issue that she raises and unblock any hindrance in funds flowing to her constituents, perhaps retailers, who have been adversely affected, and see whether we can make fast progress. It is our view that they are entitled to compensation; we want them to get it.

David Tredinnick (Bosworth) (Con): Mr Speaker, may I also wish you a happy birthday? It is an easy date for me to remember because it is also my birthday.

Does my right hon. Friend the Leader of the House recall me raising, in October 2010, the situation in Parliament square, when I described it as

"a no-go area surrounded by a campsite".—[*Official Report*, 24 November 2010; Vol. 519, c. 256.]?

Will he update the House on progress in clearing Parliament square?

Sir George Young: I commend my hon. Friend for the initiative he has taken over many years to ensure that Parliament square is restored to its dignity. Following the passage of the Police Reform and Social Responsibility Act 2011, powers were available to the Metropolitan police to clear the encampment, and the House may have noticed that, earlier this week, the majority of the tents were removed using the provisions in that Act. One encampment remains, which is subject to a High Court injunction, which I think will be addressed in a few weeks' time.

I very much hope that before too long we can restore Parliament square to its former glory. It is at the centre of the finest capital city in the world, with Westminster abbey, the Houses of Parliament and Whitehall, and I very much hope that we can make the space available to people who have been denied that space by the activity over recent years. Finally, I would say that we have also restored the historic right to protest, as long as those protesting go home at the end of the day.

Mr Speaker: I thank the hon. Member for Bosworth (David Tredinnick) and I wish him a happy birthday too.

Mr David Anderson (Blaydon) (Lab): This morning we have seen yet again the contempt that the Secretary of State for Health has for professional people working in the health service, as shown by his comments that opposition to NHS reforms is just about spite regarding the pension agenda. May we have a debate in the House about who really supports NHS reform and who does not? May we also, in that debate, discuss why the Secretary of State has so much contempt for nurses and midwives and other professionals in this country?

Sir George Young: That is a travesty of the views of my right hon. Friend, who has on many occasions paid tribute to the work that nurses and doctors do within the NHS.

On the issue of pensions, our view is that a generous offer has been made to doctors and consultants. The average consultant retiring at the age of 60 will get a pension of £48,000 and a lump sum of £143,000, worth about £1.7 million in a pot. We think that is unsustainable, and we want a system that links pensions to lifetime earnings rather than final salary—a reform that I hope the hon. Gentleman would welcome.

On the issue of NHS reform, the hon. Gentleman knows that there will be an opportunity for a further debate when the other place has finished its consideration of the Health and Social Care Bill. We believe that that reform is essential and that it is in doctors' and nurses' interests, because they are put at the centre of clinical commissioning.

Mr William Cash (Stone) (Con): The Leader of the House knows that there will be a summit on European matters towards the end of the month—probably 30 January; my hon. Friend the Member for Gainsborough (Mr Leigh) raised the matter last week. The European Scrutiny Committee has unanimously called on the Government to provide for a debate before that summit, on the Floor of the House, for a minimum of three hours. The last time I asked this question, I was told it should go off to Westminster Hall or should be dealt with by a Backbench Business Committee resolution. That is quite inappropriate; this is a serious matter,

[Mr William Cash]

affecting the whole of the United Kingdom. It needs to have a general debate on the Floor of the House. Can we please have one?

Sir George Young: I do not agree with my hon. Friend that it is inappropriate to ask him to go to the Backbench Business Committee and ask for time in this Chamber for a debate on the European Council. That is precisely the recommendation that was made by the Wright Committee at paragraph 145. It explicitly says that the two days for the pre-European Council debates should be handed over to the Backbench Business Committee and it should find the time for them. My hon. Friend will have heard that the Government have made time available to the Backbench Business Committee. I am not sure whether he approached the Committee with a subject for the debate in the weeks that are forthcoming, but that is the appropriate way to get debates on the European Council, as outlined by the Wright Committee, whose recommendations we have implemented.

Robert Flello (Stoke-on-Trent South) (Lab): May we have a debate on how local residents can be protected from bad-neighbour businesses, such as European Metal Recycling in my constituency, whose latest trick, flouting planning law, is to build a wall behind people's homes of shipping containers three high, which it is welding together to make a permanent structure? That is the latest thing that it has done. May we have a debate about bad-neighbour businesses?

Sir George Young: I am sorry to hear of the problems faced by the hon. Gentleman's constituents. It is not clear whether the wall that the company has built had planning permission.

Robert Flello: It did not.

Sir George Young: If it has not, enforcement action is available: the local authority may ask that it be removed, and if it is not, remove it and then charge the business. I hope the hon. Gentleman will follow that initiative.

We have passed through the House the Localism Act 2011, which gives more powers to local communities to influence the environment in which they live. I hope the hon. Gentleman would welcome the increased planning powers available to local government.

Brandon Lewis (Great Yarmouth) (Con): In Great Yarmouth, we have seen a vast increase in the number of apprenticeships in the past 12 to 18 months. That has been a great asset in trying to match the skills available with the demands of industry in the area. May we have a debate to highlight the importance not just of apprenticeships but of vocational training in developing skill sets required by industry?

Sir George Young: I am grateful to my hon. Friend and I hope he may catch Mr Speaker's eye on Monday, when there will be an opportunity to debate the subject. In our first year we delivered more than double the number of extra apprenticeships we promised, and the Chancellor announced in May our ambition for 50,000 extra post-19 apprenticeships, funded from in-year spending cuts in other areas. We are keen to develop the apprentice agenda, and I welcome what my hon. Friend said about his constituency.

Valerie Vaz (Walsall South) (Lab): I wish you a happy birthday, Mr Speaker—and my colleague on the Health Committee, the hon. Member for Bosworth (David Tredinnick). You share this day with the first anniversary of the introduction of the Health and Social Care Bill—a day that will obviously live in infamy. We need an urgent debate on what is going on on the ground, because we now have credit agencies involved in the health service, 2,000 job losses—according to the Royal College of Nursing—and the Information Commissioner not being able to release the appeal from the Government into the risk assessment. We need the Secretary of State for Health to come to the House to answer questions as to why he is usurping the will of Parliament and putting through these reforms before the Act has been passed.

Sir George Young: I will bring to the attention of my right hon. Friend the request that the hon. Lady has made about information—I think that was the gist of her question—and of course I will pass that response on to her. The Bill has passed through the House and, as she knows, once a Bill gets a Second Reading certain actions are allowed to proceed. I am sure that my right hon. Friend has done nothing that is in any way inappropriate. As I said, there will be an opportunity to debate the Bill when it returns to the House, hopefully in the not-too-distant future.

Mark Lancaster (Milton Keynes North) (Con): May we have a debate on child abduction? International rates of child abduction are up 10% this year. Is the Leader of the House aware of the anomaly in the law whereby the abduction of a child to a foreign country is a criminal matter, but if a parent initially gives permission for the child to go on holiday but the child never returns it is a civil matter with little protection? May we address this loophole?

Sir George Young: My hon. Friend is right that the number of abduction cases is growing. If a child is abducted to a country that has not signed up to The Hague convention, there are real difficulties getting them back. I will draw the possible loophole to the attention of the Home Office and my right hon. Friend the Lord Chancellor to see whether action can be taken to close it.

Gregg McClymont (Cumbernauld, Kilsyth and Kirkintilloch East) (Lab): Many of my constituents work in Her Majesty's Revenue and Customs office in Cumbernauld, the largest in the country, and are worried about what they perceive to be the creeping privatisation of HMRC through the introduction of private providers in its call centres. May we have a debate on whether bringing private providers into the call centres is sensible?

Sir George Young: The hon. Gentleman will recognise that the previous Government used private agencies in public sector organisations where that was the right way to proceed, and I am sure that he would support measures to reduce costs within HMRC and make it more efficient. My right hon. Friend the Chancellor and his team will

be here on 24 January for Treasury questions, when the hon. Gentleman might have an opportunity to ask his question again.

Mr Edward Leigh (Gainsborough) (Con): Further to the question put by my hon. Friend the Member for Stone (Mr Cash), I asked the same question last week and the Leader of the House replied in his best insouciant manner, but I am afraid that that is not good enough. Today we will have a debate on the connecting Europe facility, which is one part of the matter, but he is denying Members the opportunity to discuss these issues, as other countries do, on the Floor of the House before the Prime Minister goes to the European summit. It is not good enough for the Leader of the House to tell us to go to the Backbench Business Committee. I have been to the Committee, but it has no time and will not give us the debate—it is down to him. This is a major issue, and the House is not overstretched. Imagine if someone had asked for a debate on German rearmament in 1930s and the then Leader of the House had said, "Oh, just go off to Westminster Hall or the Backbench Business Committee." It is ridiculous. These are important matters that should be in a central debate.

Sir George Young: My hon. Friend draws attention to the fact that there are regular debates on Europe in the Chamber—there is one today and I have announced another for next week. If I may say so, he glosses over the whole thrust of the Wright Committee's recommendations, which was that the Government should provide time for Government legislation and no longer control exclusively the diet of the House. The time we used to have for the debate he refers to has been handed over to the Backbench Business Committee. That empowers the House by giving it a power that has been taken from the Government. It is for the Committee to decide whether to give priority to my hon. Friend's request or to those of other Members. I am not sure whether he has been to the Committee recently to make his request, but ultimately it must decide whether to accede to it.

Steve McCabe (Birmingham, Selly Oak) (Lab): The Under-Secretary of State for Communities and Local Government, the hon. Member for Hazel Grove (Andrew Stunell), told a Committee of this House earlier today that Birmingham city council is cash-rich and the Conservative/Lib Dem administration running the city is sitting on millions of pounds. The administration says that the budget is dire, which is why it has been forced to make such savage cuts in services. They cannot both be right. May we have an urgent statement so that we can uncover the truth about the council's financial circumstances?

Sir George Young: I am reluctant to get involved in a west midlands turf war between my hon. Friend the Minister and the local authority. The hon. Gentleman will have an opportunity to raise the matter again during Communities and Local Government questions. In the meantime, I will ask the Minister whether he would like to respond.

Andrew Selous (South West Bedfordshire) (Con): May we have a debate on nursing care in the NHS, a subject recently raised by the Prime Minister? Most nurses do an excellent job, but sadly some patients have distressing experiences. Does the Leader of the House agree that, rather than focusing on structures, we need to concentrate on high standards of care closely supervised by ward sisters?

Sir George Young: My hon. Friend might know that the Prime Minister recently made a speech in which he outlined the steps the Government are taking to remove red tape and bureaucracy so that nurses can devote more time to patient care. My hon. Friend's suggestion is very much in line with the Government's policy of enabling nurses to use their skills to drive up the quality of care in our hospitals.

Hugh Bayley (York Central) (Lab): On Tuesday the Secretary of State for Defence announced that 4,100 servicemen and women will be made redundant. Why was an oral statement not made to the House so that we could question him on the implications of the decision? Will the Leader of the House ask him to publish before next week's debate a statement on the implications for Yorkshire regiments, such as the Green Howards, and others in the Army's key recruiting grounds in Yorkshire and the north-east of England?

Sir George Young: I believe that the announcement was made in an appropriate way in a written ministerial statement, a procedure for which I think we can find precedents. I will ensure that by the time we have the defence debate that I announced a few moments ago Defence Ministers will have the detailed information the hon. Gentleman has asked for and, if possible, will let him have it before the debate.

Stephen Hammond (Wimbledon) (Con): I agree with my right hon. Friend that our country's reaction to the drought in Somalia was impressive, but it was the worst drought for six decades, thousands of people have been displaced, millions have been left starving and the threat to international trade and security in the region is ever-increasing. May we have a debate on Somalia on the Floor of the House?

Sir George Young: My hon. Friend makes a good point. Despite the best efforts of the African Union, the United Nations and international diplomacy, Somalia continued to slide backwards. He might know that my right hon. Friend the Prime Minister has convened an international conference on 23 February, to which he has invited representatives of 40 countries and international organisations, in order to identify measures that will restore Somalia to health and help address some of the problems my hon. Friend mentions, such as poverty, the threat to international trade and the threat from international terrorists now based in that country. I have noted his request for a debate.

Paul Flynn (Newport West) (Lab): Will next week's defence debate concentrate on the paramount need to reduce tension between the west and Iran in order to avoid this country stumbling into another avoidable war, and may we explain to those responsible that murdering Iranian scientists can have only one outcome: making war more likely?

Sir George Young: I am sure that if the hon. Gentleman couched his remarks in a suitable way they would be perfectly in order in next Thursday's debate. I have

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noted his views. There is a real threat to the rest of the world from Iran possessing nuclear weapons, and I think that it is right that a range of responses is available.

Mr Matthew Offord (Hendon) (Con): Given the concern expressed in the House about the protection and welfare of children, may we have an urgent statement from the Government on the preposterous actions of the Turkish authorities, who have issued an international arrest warrant for Sarah, Duchess of York, for daring to make a television documentary about looked-after children in that country?

Sir George Young: I am grateful to my hon. Friend for raising the issue. It is not the Government's usual policy to comment on individual cases, but the Home Office confirms that it has received from Turkey a formal request for mutual legal assistance concerning Sarah, Duchess of York. It would be inappropriate for me to comment further.

Fiona Mactaggart (Slough) (Lab): The Public Accounts Committee learned yesterday that the NHS strategy for people with long-term conditions was ineffective for those with neurological conditions and not good value for money. Will the right hon. Gentleman ensure that before the Health and Social Care Bill, which will make that pattern the usual one for particular conditions, returns to the House we learn whether that issue is one of the things on the risk register that the Government are seeking to block?

Sir George Young: I will raise the hon. Lady's concerns with my right hon. Friend the Secretary of State for Health. She will know that we plan to publish a White Paper on long-term care in the spring, which I hope will drive up the quality of care. I will pass her request for data on to my right hon. Friend.

Karen Bradley (Staffordshire Moorlands) (Con): Last week I paid a visit to the Leek campus of PM Training, a vocational training organisation providing skills and vocational training for the young people furthest from the workplace. One of the keys to its success is its zero-tolerance policy on attendance, so will the Leader of the House find time for a debate on how the Government and others can take action to encourage attendance at school and prevent truancy in order to give all our young people the best start in life?

Sir George Young: I am grateful to my hon. Friend, who raises the important issue of truancy in schools. We have reduced the threshold at which a pupil is defined as persistently absent from 20% of time missed to 15%, ensuring that schools act earlier to deal with absence; and we are looking at the range of sanctions that can be placed on parents of truanting children, with a view to introducing higher fines and a more consistent application of sanctions. I hope that goes in the direction that my hon. Friend has indicated.

Grahame M. Morris (Easington) (Lab): I have always thought that the Leader of the House is the most reasonable of the brothers on the Government Front Bench. Does he agree with me, my right hon. Friend the Member for Leicester East (Keith Vaz), the Chairman of the Home Affairs Committee, the Association of Chief Police Officers, the British Association for Shooting and Conservation and several Members on both sides of the House that existing firearms legislation, which is scattered among 34 Acts of Parliament, needs codifying, and that, in view of the terrible events in my constituency on new year's day, it would be timely to have a debate on the merits of such a course of action?

Sir George Young: I am grateful to the hon. Gentleman and understand his constituency concern. The Home Affairs Committee recently produced a report on the issue, but it did not recommend a reduction in the age at which people can hold a shotgun licence. There were other recommendations in the report, however, and I will ensure that the Government not only respond to it, if they have not already done so, but deal with the specific issue the hon. Gentleman raises about codifying existing legislation on shotguns and trying to achieve a more rational approach.

Stephen Lloyd (Eastbourne) (LD): The issue of feed-in tariffs is ongoing at the Court of Appeal, and we are still not sure when it is going to lay down a judgment. Will the Leader of the House therefore ask the relevant Minister to table regulations so that the 40-day period can start and solar companies can have some clarity for the future?

Sir George Young: The hon. Gentleman will know that the Government have appealed against the initial decision, and we await the outcome. Without the action that we took, the money that is available would simply have been soaked up within a few months, and the entire £800 million budget would have been exhausted. I will pass on to the relevant Minister the hon. Gentleman's suggestion about early action now, in advance of the appeal decision, but I am not sure whether that is a practical option.

Mrs Madeleine Moon (Bridgend) (Lab): Thank you, Mr Speaker, and penblwydd hapus i chi.

May we have a debate on the nonsense issue of copyright law and university examination papers? Universities are unable to share past examination papers either in digital form or in photocopied classroom handouts because of third-party information in the questions. That is a nonsense, as universities are liable to prosecution if they do so, and it prevents students from preparing for exams. I am aware that the Conservative party had a manifesto pledge to deal with the issue.

Sir George Young: I am grateful to the hon. Lady. It is a long time since I had anything to do with university examination papers, but I will of course raise with my right hon. Friends at the Department for Business, Innovation and Skills the important copyright issue she raises to see whether there is a way through the dilemma she outlines, whereby it is apparently illegal to share past papers, which might be in the interests of students.

Christopher Pincher (Tamworth) (Con): In Tamworth the governors of Greenacres primary school hope to integrate with the local Landau Forte academy so that both schools can work better together to identify the most disadvantaged youngsters and help them before

they reach secondary school. Such vertical integration between schools is highly innovative, so I hope that the Leader of the House will grant time for a debate about it and other similar innovations in education.

Sir George Young: I am grateful to my hon. Friend, who makes an important point about the advantage of vertical integration between primary and secondary schools. It would be an important issue for a debate, perhaps in Westminster Hall, and I understand that so far 29 "all through" sponsored academies have opened, with the latest doing so this month. There is a need to promote the seamless transition from one school to another, and the process that he outlines assists that and is greatly to be welcomed.

Mr Tom Harris (Glasgow South) (Lab): In these straitened economic times, I have had to intervene on several occasions on behalf of local businesses, which for non-payment or late payment of taxes have been threatened by Her Majesty's Revenue and Customs with a range of sanctions up to and including closure. May we expect an early debate, attended I hope by both Business and Treasury Ministers, so that the House can remind them that sometimes a more softly, softly and common-sense approach is more effective and, certainly, more appropriate than one of bullying?

Sir George Young: I am sorry to hear that some of the businesses in the hon. Gentleman's constituency face such action. From my own experience, I know that quite often an intervention from a local Member of Parliament can secure a modified approach, and it is the Government's view—we have set it out at some length—that, given the problems facing many businesses, HMRC should exercise restraint where appropriate. I shall pass on his concerns to my hon. Friends at the Treasury, and he might like to raise the issue at Treasury questions on Tuesday.

Mark Pritchard (The Wrekin) (Con): Thank you, Mr Speaker, and may I, too, take this opportunity to wish you a happy birthday?

May we have a wide-ranging debate on Britain's contribution to the IMF? Would the Leader of the House like to put it on the record that, if any new contribution is sought from the United Kingdom, there will be a vote in this House before it is provided?

Sir George Young: My hon. Friend is right to draw the attention of the House to that important matter, and the position is as I set out a few moments ago: the Government have authority to increase their subscriptions to the IMF up to a certain level, and if any new bid from the IMF requires a contribution that takes us over that level it will of course be a matter for Parliament to debate and approve.

Mr David Hanson (Delyn) (Lab): I confess that I rather like the right hon. Gentleman and his approach to business questions, but he really must answer the point that the hon. Member for Eastbourne (Stephen Lloyd) made earlier. The feed-in tariff consultation was ruled illegal; the Government have appealed against the judgment, at a cost of £58,000; and as yet there is no outcome. But in my constituency, businesses that manufacture and install solar panels are suffering confusion because of that shambles, so may we have an early statement on the matter?

Sir George Young: There will be an opportunity next Thursday to cross-question Ministers, but the right hon. Gentleman's proposal would go against the action that the Government have taken to appeal against the decision. He is in effect inviting us to admit, by taking the action that we do not want to take, that we have lost the appeal—*[Interruption.]* And I see from his body language that I have correctly identified the problem for the Government. We must simply await the outcome of the appeal.

Mr Peter Bone (Wellingborough) (Con): This week the Foreign Secretary revealed that there is a secret bunker from which the Government will be run in the event of some catastrophic and destabilising incident. Unfortunately, we do not know who would be in the bunker or who would be in charge. I should hope that the Leader of the House would make it, and for that matter his brother, the Deputy Leader of the House, but may we have next week a written statement listing all the people who would be in the bunker?

Sir George Young: No. But I was sorry to read in *Hansard* that among those specifically excluded from the bunker was Mrs Bone.

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): Will the Leader of the House say a little more on whether the Government will support the Metal Theft (Prevention) Bill, which is on the Order Paper for tomorrow in the name of my hon. Friend the Member for Hyndburn (Graham Jones)? I also heard the comments of the Second Church Estates Commissioner, the hon. Member for Banbury (Tony Baldry), and a great many Members want something done about the issue. Would not supporting the Bill allow action to be taken before the Queen's Speech and the Olympics? We really do need something doing rather quickly.

Sir George Young: The Government are concerned about metal theft and the damage it is doing to churches, monuments and other buildings throughout the country, and there is a working party within government looking at a range of options, such as banning cash payments and better licensing. The Government will outline their views on the Bill when we reach it tomorrow, but I assure the hon. Gentleman that we take the issue seriously, we are looking at a package of measures and we want to make progress.

Guto Bebb (Aberconwy) (Con): May we have a debate on the way in which income tax policy affects families? The CARE report on the taxation of families highlighted the fact that single-earner families in the United Kingdom pay a disproportionate amount of their income in tax. In view of the hint by the Prime Minister that the decision on child benefit will be revisited, is now not the time to have a debate on a tax system that is equitable for all families in this country?

Sir George Young: I recognise the concern that my hon. Friend expresses. The Government have made it clear that as we reduce the deficit it is appropriate for

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those on higher incomes to make a contribution. Against that background, we announced that households with one or more higher rate taxpayer would forgo child benefit from next year. That remains our policy. We are looking at how it will be implemented and hope to make further announcements in due course.

Kevin Brennan (Cardiff West) (Lab): May we have a statement later today from the Prime Minister on responsible capitalism? Peacocks, which is based in Cardiff, has gone into administration, as we heard earlier. RBS pulled the plug on the finance for the company, yet we hear that its chief executive, Stephen Hester, is to get a £1.5 million bonus. When will the Prime Minister actually do something about this, rather than giving the impression that he is busy doing nothing and working the whole day through to find lots of things not to do?

Sir George Young: It is not the case that the Government have done nothing about bankers' bonuses. A moment ago, I outlined the action that was taken through Merlin to cap cash payments at £2,000 and to get bonuses on a downward trajectory. The hon. Gentleman will know that we finished consulting on executive pay in November. We hope to make an announcement very soon. His Government totally failed to take such action over 13 years.

Jason McCartney (Colne Valley) (Con): Huddersfield Town fans, and I declare an interest as a season ticket holder, are campaigning for the return of the club's original 40% share in its home ground, the Galpharm stadium. I hope that an amicable agreement can be reached between the chairman of Huddersfield Town football club and the chairman of the Huddersfield Giants rugby league club. May we have a debate on football governance that focuses not only on club ownership but on the ownership of football grounds and stadiums?

Sir George Young: I, too, hope that there is an amicable resolution. An unamicable resolution between those two formidable people would be a sight to behold. There has been a Select Committee report on football governance. I hope that in due course the Liaison Committee will propose it for debate. That might be an opportunity for my hon. Friend to raise his concerns. In the meantime, I will see whether there is anything that Ministers at the Department for Culture, Media and Sport can do to resolve the local tussle to which he refers.

Derek Twigg (Halton) (Lab): The Secretary of State for Health has now united doctors, nurses and midwives against the disastrous Health and Social Care Bill. In view of his comments this morning, will he be coming to the House to provide evidence for his claim that that is more about pensions than concerns over the Health and Social Care Bill? My constituents who work in the health service are concerned about the disastrous effect that the Bill will have on health and social care in this country, not about pensions.

Sir George Young: My right hon. Friend the Secretary of State for Health has consistently made clear his views about the valuable work that is done by nurses, doctors, midwives and others in the NHS. We are disappointed at the response to our proposals on pensions, which are based on the Hutton report. My right hon. Friend addressed the House on health at some length on Monday. Of course, he will also be available for Health questions. I reject the assertion, which we have heard on several occasions, that he does not value the work done by workers in the NHS—of course he does.

Simon Hughes (Bermondsey and Old Southwark) (LD): There is considerable concern not just in Greater London but beyond about Thames Water's proposal to create a Thames tunnel for a super-sewer in the near future. Will the Leader of the House look into how soon we can debate the Government's policy statement on waste water, which is awaited? Will he confirm that this House will have a debate and a vote on that policy statement and on the power to transfer the decision on planning to the Secretary of State for Environment, Food and Rural Affairs?

Sir George Young: My right hon. Friend raises an issue that is important not only to Londoners but to others who would benefit from the proposal. It would be an important infrastructure investment and I agree that it should be subjected to appropriate debate in the House. If he will leave it with me, I will see what would be the most appropriate forum for that debate. If certain issues were raised, there would have to be a debate under the Localism Act 2011. He should leave it to me to find an appropriate avenue for that debate.

Ian Austin (Dudley North) (Lab): Many of my constituents are keen to see justice, self-determination, peace and prosperity for people in Kashmir. May we have a debate on that issue, because it would enable the relevant Minister to update the House on the Government's work to encourage talks between Pakistan and India and to encourage economic development and better education and health care systems? Does the Leader of the House agree that it would be a good idea for a Foreign Office Minister to come to constituencies such as mine, where there are constituents who have a great deal of knowledge and expertise on how Britain could help in this area?

Sir George Young: I am grateful to the hon. Gentleman for extending a generous invitation to my right hon. and hon. Friends at the Foreign and Commonwealth Office, which I will of course pass on. There was an opportunity on Tuesday, when we had Foreign and Commonwealth Office questions, for the hon. Gentleman to raise this matter. I will pass on his concerns to the Foreign Secretary and ask my right hon. Friend to write to him.

Alun Cairns (Vale of Glamorgan) (Con): Teachers' ability to instil discipline in schools plays an important part in driving up educational standards. May we have a debate on this issue to ensure that teachers have the necessary powers and clarity on policy to reintroduce discipline?

Sir George Young: My hon. Friend is right: teachers need to be able to enforce discipline in their classes. We have issued new, simpler guidance for teachers on discipline, cutting the length from 600 pages to 50. The new guidance states that no-touch policies are unnecessary, that teachers can use reasonable force to control or

physically restrain disruptive pupils, and that heads can search for items such as alcohol, illegal drugs and stolen property. I hope that that is a move in a direction that my hon. Friend can support.

Jonathan Ashworth (Leicester South) (Lab): Further to the exchanges that the Leader of the House had with the hon. Member for Wimbledon (Stephen Hammond) and my hon. Friend the Member for Wallasey (Ms Eagle), may I join the calls for a debate on Somalia? There is a humanitarian crisis in that country, its political instability is well known and the conference that the Prime Minister is convening in February is potentially an important moment. It would be beneficial to have a debate ahead of that conference. I join the calls of other hon. Members for the Leader of the House to consider that request and I hope that he looks upon it kindly.

Sir George Young: I am grateful to the hon. Gentleman for the way in which he couched that bid for a debate. I agree that it is an important issue. As I said in answer to an earlier question, I would like to reflect on the case that hon. Members have made for a debate on Somalia.

Henry Smith (Crawley) (Con): Last year, under the European health insurance card scheme, the UK paid £1.7 billion to other European economic area nations for the treatment of Britons abroad but recovered only £125 million from EEA countries from the treatment of their citizens in this country. May we have a debate on the efficiency of NHS trusts in auditing, and therefore in recovering, such costs?

Sir George Young: I understand my hon. Friend's concern about that imbalance in trade. My understanding is that it is due to the fact that more UK pensioners retire to other EU countries than residents of EU countries retire here. Under EU rules, we have to pay for the health treatment of those who retire to EU countries. The imbalance that he refers to is not a result of health tourism or the abuse of the NHS, although we are of course against those things, but due to the fact that more of our citizens retire to the EU than EU citizens retire here.

James Morris (Halesowen and Rowley Regis) (Con): Next month, I will attend the official launch of the Ormiston academy in Cradley Heath in Sandwell, which is the latest school to become an academy in my constituency. Will the Leader of the House grant a debate on giving schools that are currently in LEA control similar powers to academies, so that we can drive up teaching standards and attainment in areas where LEAs are underperforming, such as Sandwell?

Sir George Young: My hon. Friend draws attention to the fact that we now have more than 1,300 new academies. The number of academies has risen sevenfold since we came to power. All the evidence is that schools that convert to academies do better than those that do not. On the issue of extending to local authority schools the powers that academies have, which was the thrust of his question, my initial response is to ask why such schools do not go for academy status and get the benefits in that way. I will, of course, pass on to my ministerial colleagues the suggestion that he has made.

Diana Johnson (Kingston upon Hull North) (Lab): The Health Secretary claimed that the Health and Social Care Bill would put clinicians back at the centre of the NHS. In the light of the decision by clinicians to withdraw their support for the Bill this morning, will the Leader of the House arrange for the Health Secretary to make a statement to set out a permanent pause to this ill-fated measure?

Sir George Young: No. There was, as the hon. Lady knows, a pause last July when we had the NHS Future Forum, in which nurses and doctors were involved. I am sure that when the Bill goes through, doctors and nurses will welcome their increased responsibility for clinical commissioning, and it must be right for that to be transferred from primary care trusts to professionals and the NHS, who are more aware of the needs of those who need treatment.

Bob Blackman (Harrow East) (Con): Happy birthday to you, Mr Speaker, and may you preside over many future such occasions in the Chair of the House.

Harrow council is currently considering two major developments. The first is a commercial development on Whitchurch playing fields and the second involves the demolition of a library, building on a car park and the demolition of a community centre, all to provide a superstore. The one common factor is that Harrow council owns the land and has failed to consult the public on the proposals. May we have a debate on transparency and consultation in local government?

Sir George Young: If the local authority has failed to carry out a statutory responsibility, namely to consult those affected by a development, my hon. Friend should raise the matter in the appropriate way. He can also refer it to the local government ombudsman if he believes that the local authority has in any way been guilty of maladministration. He will know that the Localism Bill will introduce a new requirement on developers to consult local communities, so I hope that in future local people will have more of a chance to comment on developments than they have at the moment.

Gareth Johnson (Dartford) (Con): Next month will see the 500th day in which the Leader of the Opposition has been in his post. Could Government time be given up to commemorate the occasion?

Sir George Young: House time is regularly given up to the Opposition, and there will be an Opposition day on Monday. The Opposition might like to take the opportunity to clarify some of the confusion that has arisen recently about what exactly their policy is on the measures that we have taken. First the shadow Chancellor says that the Labour party accepts them, then the deputy Labour leader says that it has not accepted the austerity cuts. I hope that when we have a debate on these issues on Monday, the Opposition's position will become clearer.

Mr Lee Scott (Ilford North) (Con): Will the Leader of the House allow a debate following the recent disappointing report by the Government of Sri Lanka into the atrocities that took place there? May we have a debate on how to get justice for the innocent civilians who were killed?

Sir George Young: I commend my hon. Friend's work as chairman of the all-party group on Tamils. I will raise with the Foreign Secretary the report to which he refers and see what action Her Majesty's Government can take in response to it.

Andrew Jones (Harrogate and Knaresborough) (Con): May we have a debate about skills in the workplace? In my constituency, businesses have raised with me some of the challenges that they face in filling the vacancies that they have simply because of the lack of skills among applicants. They have also told me of their support for the various Government initiatives to address the problem, particularly higher-level apprenticeships.

Sir George Young: We all have a role to play in drawing to the attention of local employers what is available under the apprenticeship scheme and the youth contract. Under the youth contract, help of more than £2,000 a year is available to employers who take on young people. I hope that we all play a role in highlighting the Government's provisions to reduce youth unemployment in our constituencies.

Rehman Chishti (Gillingham and Rainham) (Con): The Leader of the House will be aware of a recent report stating that there were 2,823 incidents of honour-based violence in our country last year. May we have an urgent debate to consider what more can be done to address such horrendous acts of violence?

Sir George Young: Honour-based violence and killings are appalling crimes, and I agree with my hon. Friend that we should do all we can to tackle them. He will know that we published last year our action plan to end violence against women and girls, which outlined a range of initiatives, including some funds, to drive down that horrendous crime.

Jeremy Lefroy (Stafford) (Con): Staffordshire county council will shortly integrate adult social care and health services with the Staffordshire and Stoke-on-Trent Partnership NHS Trust. I believe that that will bring great benefits to people across the city, the county and my constituency, and I pay tribute to all those involved for their hard work. May we have a debate on the integration of adult social care?

Sir George Young: My hon. Friend raises perhaps the most important issue confronting the NHS, which has confronted it for many years, namely the iron curtain that has historically existed between the NHS and social care. I welcome the work to which he refers, which is breaking down the barriers, and I am in favour of joint commissioning and joint budgeting. I hope that the White Paper that we have promised in the spring will take that agenda forward, and I commend the work that is going on in his constituency.

Glyn Davies (Montgomeryshire) (Con): As we all live longer and enjoy more and more birthdays, Mr Speaker, not only social care for the elderly but palliative care is becoming the greatest challenge for the Government and Parliament. Will the Leader of the House ensure that there are early opportunities to debate those issues in the Chamber?

Sir George Young: One of the first actions that we took on coming to power was to ask Andrew Dilnot to undertake a review of the issues to which my hon. Friend refers. He reported last July, and we then consulted for a period of up to three months. We are working on a White Paper, and my hon. Friend will have seen that talks between the parties on the issue have now started. I welcome that development, and I very much hope that we can get a consensual approach to the long-term funding of social care.

Jack Lopresti (Filton and Bradley Stoke) (Con): Last year the Government estimated that cybercrime cost the UK economy £27 billion. May we have a debate on the issues surrounding cyber-threats to UK citizens and businesses?

Sir George Young: My hon. Friend raises an important issue. Some 6% of gross domestic product is now accounted for by trade on the internet, and that figure is likely to rise. Of course, we want a secure digital environment so that that trade can flourish. He will know that on 25 November we launched the cyber-security strategy outlining a number of measures to protect economic prosperity, and we are investing £650 million in making our cyber-security capability even better. I would welcome such a debate, and he might like to approach the Backbench Business Committee.

Andrew Stephenson (Pendle) (Con): There has been a 70% increase in apprenticeship starts in Pendle over the past year, which is a bigger proportional increase than in the north-west or England as a whole. May we have a debate, particularly ahead of national apprenticeship week in February, to mark what the Government have done and what more can be done?

Sir George Young: I am grateful to my hon. Friend, who may like to intervene in the debate on Monday about youth unemployment. He asks what more we are doing. We have commissioned Professor Alison Wolf to review vocational education, and we are trying to remove perverse incentives that may push pupils into easy options. We are working with employers and universities to identify the best vocational opportunities.

Mr Robert Buckland (South Swindon) (Con): In the light of today's welcome report by the Procedure Committee, will my right hon. Friend make a statement about ways in which debates on e-petitions can be better accommodated by the House?

Sir George Young: I am grateful to my hon. Friend, and to the Procedure Committee for the report on e-petitions that it has just published. He will know that some 3 million people have engaged with the e-petitions system that we launched, and it has inspired a number of good debates in the House and helped to shape Government policy on some key issues. The Committee states:

> "The system introduced by the Government has proved very popular and has already provided the subjects for a number of lively and illuminating debates."

I propose to consider the detailed recommendations in the Committee's report and respond in the usual way in due course.

Mr David Nuttall (Bury North) (Con): May I urge the Leader of the House to ensure that ahead of all future European Council meetings, we have a debate on the Floor of the House so that we have the opportunity to set the agenda? In respect of the forthcoming European Council meeting, he set out in his reply to the business question that there is, in effect, a blank day that is set down for a general debate. May I urge that that day be used to discuss the agenda for the next European Council?

Sir George Young: I am grateful to my hon. Friend for emphasising and underlining a point that was made earlier in these exchanges. I think I am right in saying that the day that I identified for a general debate on a subject to be announced is after the European Council rather than before it, but of course I have taken on board the suggestions made by him and other hon. Friends. Along with the Backbench Business Committee, I will consider the matter before the next European Council meeting later this year.

Martin Vickers (Cleethorpes) (Con): Thank you, Mr Speaker. I can only assume that you have saved the best till last.

In reply to my question last week after the statement on high-speed rail, the Transport Secretary replied favourably to my request that everything possible be done to ensure that British-based companies receive the orders, such as my constituents who work at Tata Steel in Scunthorpe. Will the Leader of the House arrange for an early statement on how the Government intend to achieve that?

Sir George Young: My hon. Friend will know from the national infrastructure plan that HS2 will form part of a long-term pipeline of infrastructure projects enabling private sector firms to plan for the future. We are very keen that the UK's supply chain industries should be able to benefit from those investments, and we want to ensure that our tendering procedure does all it legitimately can to enable locally based suppliers to bid. We are opening a dialogue with UK-based suppliers to ensure that they can bid competitively for future contracts, and we are using pre-procurement dialogue to encourage efficiency and innovation and to establish more sustainable supply chains.

Mr Speaker: I thank all 60 Back-Bench Members who asked questions on the business statement.

Personal Statement

12.40 pm

Jack Dromey (Birmingham, Erdington) (Lab): I would like to make an apology to the House.

A report has been published by the Standards and Privileges Committee following an investigation by the Parliamentary Commissioner for Standards. I failed to update in time my initial registration in respect of payments received from my previous employer during the months of June to October 2010. This I have now done. I also failed to declare an interest in speaking in two debates on 16 June and 16 September 2010.

Notwithstanding that the commissioner found, and the Committee noted, that the breaches were unintentional, I want to apologise unreservedly to the House, and I will in future fully abide by the rules of the House.

Mr Speaker: I thank and am extremely grateful to the hon. Gentleman for what he has said. I remind the House that points of order do not arise on personal statements, but unrelated ones can now be raised.

Points of Order

12.41 pm

Fiona Mactaggart (Slough) (Lab): On a point of order, Mr Speaker. I wonder whether it is in order for Ministers to abuse Opposition Back Benchers on the basis of their age or gender—*[Laughter.]* Yesterday, we heard the Prime Minister do that to the 79-year-old hon. Member for Bolsover (Mr Skinner). That problem was repeated today—*[Interruption.]*

Mr Speaker: Order. I say to Mr Shelbrooke, who is now engaging busily in a conversation with the hon. Member for Harrogate and Knaresborough (Andrew Jones): calm yourself. The hon. Lady is raising a point of order about manners, to which I intend to listen and with which I will deal, and it hardly helps if people are sniggering and smirking at the point she is making.

Fiona Mactaggart: Thank you, Mr Speaker.

The Minister of State, Department of Environment, Food and Rural Affairs, did the same thing today when he described the hon. Member for Brighton, Pavilion (Caroline Lucas) as "hysterical". You used the word "manners", Mr Speaker. Is there anything you can do to promote better manners in this Chamber, so that Members do not face abuse from Ministers?

Mr Speaker: What I would say to the hon. Lady is that "Erskine May" is clear that good temper and moderation in the use of language are the hallmarks of parliamentary debate—to those I would simply add good taste. I hope that that is helpful.

Mr Peter Bone (Wellingborough) (Con): On a point of order, Mr Speaker. At last week's business questions, I asked about a little boy who was being denied cancer treatment. Thanks to the intervention of the Leader of the House and the immediate intervention of the Secretary of State for Health, that treatment was granted. Sometimes the public get the impression that Parliament does not work, but on that occasion it clearly did. I wondered how I could get that on the record.

Mr Speaker: The hon. Gentleman has done so and he knows it.

BILL PRESENTED

Civil Aviation

Presentation and First Reading (Standing Order No. 57)

Mrs Theresa Villiers, supported by the Prime Minister, the Deputy Prime Minister, Mr Secretary Hague, Mr Chancellor of the Exchequer, Mrs Secretary May, Secretary Vince Cable, Secretary Justine Greening, Mr Secretary Paterson, Secretary Michael Moore, Mrs Secretary Gillan and Mr Francis Maude, presented a Bill to make provision about the regulation of operators of dominant airports; to confer functions on the Civil Aviation Authority under competition legislation in relation to services provided at airports; to make provision about aviation security; to make provision about the regulation of provision of flight accommodation; to make further provision about the Civil Aviation Authority's membership, administration and functions in relation to enforcement, regulatory burdens and the provision of information relating to aviation; and for connected purposes.

Bill read the First time; to be read a Second time tomorrow, and to be printed (Bill 275) with explanatory notes (Bill 275-EN).

Connecting Europe Facility

12.44 pm

The Financial Secretary to the Treasury (Mr Mark Hoban): I beg to move,

That this House takes note of European Union Documents No. 16176/11 and Addenda 1 and 2, No. 16499/11, No. 16006/11 and Addenda 1 and 2, No. 15629/11 and Addenda 1 to 35, No. 15813/11 and Addenda 1 and 2, relating to the European Commission's draft regulations on the Connecting Europe Facility in the next Multiannual Financial Framework 2014-20; supports the Government's view that at a time of ongoing economic fragility in Europe and tight constraints on domestic public spending, the Commission's proposal for substantial increases in EU spending in this area compared with current spend is unacceptable and incompatible with the tough decisions being taken to bring deficits under control in both the UK and countries across Europe; considers that spending in this area should focus on identifying and providing genuine EU-added value, and not on spending where domestic governments and the market are better placed to act; and further supports the Government's ongoing efforts to reduce both the Commission's proposed budget for the Connecting Europe Facility and the overall level of spending in the next Multiannual Financial Framework 2014-20.

The European Commission's proposal for a connecting Europe facility for transport, energy and telecommunications infrastructure cuts across the work of Government. I am therefore grateful that I have been joined in the Chamber by ministerial colleagues from the Department of Energy and Climate Change, the Department for Transport and the Department for Culture, Media and Sport, in putting forward the Government's case on the motion.

Matters of deficits, spending and growth are at the top of all of our concerns, not just here in the UK, but across Europe. Those issues go to the very heart of the continued instability in the euro area. That ongoing instability vindicates the Government's decision to get ahead of the curve, cut our deficit and impose strict financial discipline on our budget.

Mr William Cash (Stone) (Con): Whereas many hon. Members will agree with the sentiment of the Government's motion, the idea that we should contribute to the EU indirectly through the International Monetary Fund on the scale that is proposed is unacceptable.

Mr Hoban: My hon. Friend's point is outside the topic of the debate this afternoon. He is aware of the Chancellor of the Exchequer's comments and assurances on that matter.

As I have said, at home, we have taken tough decisions to tackle our deficit and demonstrated leadership. We expect exactly the same leadership on spending in Europe from the European Commission, but whether on the annual budget or the financial framework, such leadership has been completely lacking. Instead of finding ways to cut spending or to drive better value for money, the Commission, through the connecting Europe facility, proposes to increase spending on transport, energy infrastructure and telecommunications by 400% as part of a multi-annual financial framework that increases payments by more than €100 billion over its duration.

Just as at home, where we have prioritised spending on growth while tackling the deficit, the Government would like a higher proportion of a restrained EU budget spent to promote sustainable growth. The proposal does not achieve that objective. We are arguing that spending should be lower, and that what spending remains should be focused on areas that offer genuine added value across the EU.

Mr John Redwood (Wokingham) (Con): A number of people who have written to me condemning the High Speed 2 project have alleged that Britain has to build it under the EU network ruling. Will the Minister confirm that Britain remains free to make its own decision on whether to have High Speed 2?

Mr Hoban: My right hon. Friend is, as is often the case, spot on. There is no requirement under the proposal for us to build High Speed 2.

Kelvin Hopkins (Luton North) (Lab): Following the intervention from the right hon. Member for Wokingham (Mr Redwood), is not the nation state rather than the EU the best place to judge how much should be spent, what it should be spent on and how efficiently it should be spent?

Mr Hoban: The hon. Gentleman makes an important point. There is a debate to be had on where such decisions should be taken and what our priorities should be. That is why it is important for us to impose discipline on the EU budget and try to influence debate on it to ensure that when money is spent, it is spent well and wisely in pursuit of our objectives.

Let me remind the House of three key aspects of the Commission's proposal for the next financial framework: first, an increase in the budget of more than €14 billion a year compared with a freeze on current levels; secondly, a new financial transactions tax to fund the EU budget; and thirdly, an end to the UK's permanent rebate. That financial framework proposal and the proposals to increase spending through the connecting Europe facility are unacceptable.

In November, the House agreed that the Commission's financial framework was

"unacceptable, unrealistic, too large and incompatible with the tough decisions being taken in the UK and in countries across Europe to bring deficits under control and stimulate economic growth".

Graham Stringer (Blackley and Broughton) (Lab): I am following the Minister's logic carefully and agree with him, but would it not be more sensible to set an objective of reducing the European budget by around a third, which is the cut that has been imposed on local government?

Mr Hoban: I will set out the Government's position on the financial framework in my own sweet time.

Continuing financial instability in the eurozone owing to unsustainable levels of public debt makes the case for restraint stronger; the EU budget must be part of fiscal consolidation, not immune to it. As the Prime Minister has stated, alongside leaders from France, Germany, the Netherlands and Finland, the maximum acceptable increase in EU budget size until 2020 is a freeze in current payment terms.

Since November's debate on the financial framework, we have made significant steps towards achieving that goal. In the face of a Commission proposal to increase

[Mr Hoban]

the 2012 budget by 4.9%, the UK led the European Council in demanding, and achieving, a restriction of the 2012 budget to a real freeze to 2011 payments. In pursuit of a real freeze in payments, the UK's position must, and will, be consistent and clear in annual budget negotiations, financial framework negotiations and negotiations on the individual spending programmes that make up the framework, of which the connecting Europe facility is one.

Mark Reckless (Rochester and Strood) (Con): When the Minister refers to seeking to achieve a real-terms freeze, what deflator or measure of inflation is he using?

Mr Hoban: The measure that is used in these discussions is the forecast of inflation provided by the EU, which is currently 2%.

The nature and size of these spending programmes are negotiated in parallel with the negotiations on the overall financial framework. That means that the eventual size and shape of the financial framework are influenced by negotiations on those individual programmes. Given our call for a real freeze, any increase in the size of individual programmes means a corresponding decrease in other programmes.

Mr James Clappison (Hertsmere) (Con): My hon. Friend is making a compelling case. Will he confirm, as appears from the documents before us to be the Government's view, that in just one of the documents—that on the trans-European networks—the European Commission is proposing a €40 billion increase above the level of the freeze he described?

Mr Hoban: In that €40 billion, there are three components. At the moment, about €6 billion is spent. The proposal before us represents an increase of €24 billion, which takes us to €30 billion. In addition, there is a transfer of €10 billion from structural funds, which gets us to the €40 billion figure. The actual increase is €24 billion, or about 400%. I think the whole House would agree that an increase of that scale is not acceptable. The €24 billion increase set out in the documents has to be seen in the context that the Commission's financial framework proposal is €100 billion more than a real freeze. The Government cannot accept the Commission's proposal for an increase in the facility, and we will argue for significant reductions to it.

Mrs Anne Main (St Albans) (Con): In discussions with the Commission about the proposed increases in spending, what justification does the Commission give regarding the ability to afford this extra spending, given the crisis afflicting the eurozone?

Mr Hoban: Of course, in a way, the Commission's view is that it is probably somebody else's problem to resolve the financing. It put forward measures in the multi-annual financial framework that will increase the amount of money flowing to Europe. It has put forward an EU-wide financial transactions tax, which we object to. Its view is that if such a tax went ahead, the revenues would go not to member states, to spend at their discretion, but to the European Commission to spend. As part of its financial framework, the Commission also proposed the end to our rebate—another proposal we would reject.

The Commission would look to member states to meet the cost of these projects, which is why it is absolutely vital that we work with like-minded allies to restrain the EU budget and ensure that we can spend more money at home, while less money goes abroad. *[Interruption.]* The hon. Member for Nottingham East (Chris Leslie) chunters, but if he had listened to my speech, he would have heard me say that we have signed a letter with the Chancellor in Germany, Angela Merkel, and with the French President calling for a real-terms freeze in payments. That is the sort of alliance we can build in Europe. I will come to the hon. Gentleman's amendment later, but I am rather bemused: the Labour Government talked tough in EU negotiations, but they happily gave away our rebate, costing this Government €10 billion over the life of this Parliament.

Mr Peter Bone (Wellingborough) (Con): The Minister is being far too generous to Labour Members. Over the last five years of the Labour Government, our net contribution to the EU was an extortionate £19 billion. Under this Government, it will be £41 billion, because Labour gave away a large part of Mrs Thatcher's rebate. That is a disgrace, and Labour should be held to account for it.

Mr Hoban: I like to be generous in politics, but the previous Government were generous in giving away our money, by giving away part of the rebate. I will come back to that in a moment.

Dan Byles (North Warwickshire) (Con): My understanding—I was not in the House at the time, so perhaps my hon. Friend can help me—is that the rebate was given up in exchange for reform of the common agricultural policy. Will my hon. Friend update us on how well that is going?

Mr Hoban: My hon. Friend is absolutely right: there were bold and tough words from the previous Government about being prepared to give up part of our rebate for real reform of the CAP. Well, we gave up our money, but we did not get real reform. That was typical of the Labour party's reactions when it was in government: lots of tough talk, but no action to back it up.

Kelvin Hopkins: Will the Minister give way?

Mr Hoban: I will give way just once more, but then I want to try to make some progress.

Kelvin Hopkins: Like Government Members, I was opposed to giving up that great tranche of our rebate. The Government have made much of the issue. Is it not time they started trying to renegotiate the rebate to get it back again?

Mr Hoban: We have made it absolutely clear that the rebate is there to stay, and that is one of the key parts of our negotiating strategy.

I want to say a few words about infrastructure spending. The Government have made it clear that focused infrastructure improvements are a domestic priority.

When undertaken wisely, it is clear they can boost growth, protect the environment and improve lives. In his autumn statement, my right hon. Friend the Chancellor announced investment of £100 million in the creation of up to 10 super-connected cities across the UK with 80 to 100 megabits per second broadband and city-wide, high-speed mobile connectivity. Last week, the Secretary of State for Transport announced details of the new high-speed rail network.

However, the key is having carefully focused investment. When prioritising spending for infrastructure, the Government have taken the wider economic context into account. The urgent need to reduce our domestic deficit has meant that we have had to choose our investments carefully and focus infrastructure spending on where it can have the most positive effect.

That is the approach the Commission needs to take to European infrastructure spending, focusing affordable levels of spending where they will make most difference. Therefore, while the Government will, first and foremost, argue for a reduction in the overall size of the connecting Europe facility budget, we will endeavour to ensure that the final settlement agreed is focused on spending money where it will add most value. That means spending money only where neither the market nor domestic Governments are better placed to act—the point the hon. Member for Luton North (Kelvin Hopkins) made in his first intervention.

We will be pushing the Commission for additional information to allow us to judge where the money will best aid growth and support our environmental objectives. That is consistent with the Government's desire to see spending that promotes sustainable growth take a bigger share of a tighter budget in the next financial framework. The ambition of the connecting Europe facility, while laudable, must respect the fiscal realities of Europe.

The Opposition have tabled an amendment to today's motion. It is rather incredible, in a week when Labour's policy on deficit reduction has become ever more confused, that the hon. Member for Nottingham East has tabled an amendment calling for an effective deficit reduction strategy. Ever since the shadow Chancellor said on Saturday that

"we are going to have keep all these cuts",

the Labour party has been totally confused, with its deputy leader later saying:

"We're not accepting the Government's austerity cuts, we are totally opposing them".

So Labour Members accept the cuts, but then oppose them.

Labour Members cannot say they are credible on the budget, because of the legacy they have left. Despite our entering the downturn with the largest structural deficit in the G7, the Labour leader told Andrew Marr this weekend that he did not think Labour spent too much. Let us remind him that it is because of Labour's record on spending that our triple A rating was on negative outlook when the Labour party left office. That downgrade threat has been lifted because this Government have a credible and effective deficit reduction strategy. One would think that the Labour party would have learned from that, but, no—its five-point plan would add £20 billion to the deficit this year. Rather than seeing an effective debt reduction strategy from Labour, all we have is more of the same: more spending, more borrowing and more debt. So before Labour lectures anybody else on the deficit reduction strategy, it had better get its own house in order.

If that was not bad enough, the hon. Member for Nottingham East has scored another own goal in his amendment by calling for reform of the common agricultural policy—we touched on that earlier. We have heard brave words before from Labour politicians about CAP reform. Tony Blair said that

"the rebate remains because the reason for the rebate remains. Of course, if we get rid of the common agricultural policy and we change the reason why the rebate is there, the case for the rebate changes."—[*Official Report*, 29 June 2005; Vol. 435, c. 1293.]

Those were tough words, but as we know, he gave way to the French, sacrificing €2 billion in our rebate a year, which will cost the country €10 billion over the lifetime of this Parliament. In the current financial framework, CAP spending has not fallen, as Labour said that it would, but increased by €3 billion. So it is all very well the hon. Gentleman talking tough in his amendment, but we have heard it before from Labour—all bark and no bite.

Achieving the priorities that the House has supported in the next financial framework will not be an easy task. The Government need to defend the rebate, resist EU taxes and restrain the budget size. The UK can deliver results in Europe, as outcomes in the 2011 and 2012 annual budget negotiations have shown, but to achieve our overall aims we must be constant and vigilant in our resistance to increases in the budget. A 400% increase to infrastructure spending in the EU budget, without any corresponding reductions elsewhere, is unacceptable in the current economic environment. We will work with our allies to cut this programme down to size, delivering fiscal restraint and value for money. Although we are clear that we need infrastructure investment to boost productivity and growth, projects need to be effective and affordable, but the plans in the connecting Europe facility proposed by the Commission are neither. I therefore urge my hon. Friends to support the motion.

Madam Deputy Speaker (Dawn Primarolo): I inform the House that Mr Speaker has selected amendment (a), in the name of the hon. Member for Nottingham East (Chris Leslie). I call him to move the amendment.

1.1 pm

Chris Leslie (Nottingham East) (Lab/Co-op): I beg to move amendment (a), in line 5, leave out from '2014-20' to end and add

'believes that there should be no overall increase in expenditure compared with current levels; takes note of the concerns about the Eurozone economy expressed by Standard and Poor's that "a reform process based on a pillar of fiscal austerity alone risks becoming self-defeating, as domestic demand falls in line with consumers' rising concerns about job security and disposable incomes, eroding national tax revenues"; calls on the European Commission to reduce its proposed budget and the proportion of the Multiannual Financial Framework set aside for the Common Agricultural Policy and to reorder the Connecting Europe Facility proposals to phase capital infrastructure components so that they enhance employment and economic growth within a more limited multi-year budget; supports action to promote EU competitiveness and review the impact of the structural funds; and calls on the Government to develop more effective deficit reduction strategies at home and across the EU by advocating urgently a credible plan for growth.'.

[Chris Leslie]

I am glad that the amendment has been selected, because the Government's motion is missing a rather important component—something conspicuous by its absence. To give hon. Members a clue, it is a word missing not only from the motion but from our economy.

What problem do the Conservative party, and those very full Liberal Democrat Benches, have with the concept of economic growth? The lack of growth is the reason the Government say they have to borrow £158 billion more than planned last year. It helps to explain why in the three months to November unemployment was at its highest level since 1994; and, of course, it explains why business confidence has collapsed. The Government are either ignorant of the negative impact that an austerity obsession here and in Europe is having on the prospects for growth, or they are wilfully pulling the rug from underneath the economy in the twisted expectation that that will somehow restore confidence and deal with the sovereign debts created in the wake of the global financial crisis.

The European Commission's plans before the House are revealing of the current approach to economic policy across Europe and of the Government's lack of influence and lack of interest in showing a positive lead. We are all agreed on the need to reduce the planned budget for the multi-annual financial framework for the years until 2020, and we too believe that there should be no overall increase in expenditure when compared with current levels, but why are Ministers totally failing to make the case for a proper growth strategy in Europe with our main trading partners, with whom we need to do well if our exporters are to succeed?

Mr Cash: I am extremely interested in the shadow Minister's approach to the question of growth. When Labour was in government, over several years I raised the question about lack of growth and the vast increase in indebtedness, but there was no response or attempt to deal with over-regulation—over-regulation being one of the main reasons we are not getting growth. Does he accept therefore that it is difficult to stomach any lectures from him on growth? I have criticisms of the failure on growth in Europe and in this country, but we certainly do not want any lectures from him and his team.

Chris Leslie: I hope that I am not striking a lecturing tone. I am simply imploring the Government to pull their finger out and do something about economic growth in the UK and Europe. I am making the point that what happens in Europe affects our economy. The regulatory debate did indeed go on for many years. The Minister himself called for deregulation and light-touch approaches across the City and elsewhere. We have to get regulation issues correct, and we all have lessons to learn from what went wrong in that regulatory debate. We have admitted that mistakes were made, but I am still waiting for the Minister to accept that he too made poor decisions in calling for deregulation, particularly in financial services.

Nothing in the Government's motion seeks to steer the Commission towards a more activist role in boosting and stimulating European economies, particularly in the short term. There is no sense that the Government are seeking to influence this connecting Europe facility in order to re-phase capital investment and bring real help now to an economy on the brink. One-dimensional collective austerity, as advocated by our Government—and also, unfortunately, by the Germans and others—makes it harder to get deficits down, not easier to reduce public debt.

Hon. Members do not have to take my word for it. Six days ago, the credit ratings agency Standard & Poor's, after downgrading the status of some eurozone nations, stated that

"a reform process based on a pillar of fiscal austerity alone risks becoming self-defeating, as domestic demand falls in line with consumers' rising concerns about job security and disposable incomes, eroding national tax revenues".

Even the credit rating agencies are now worried about the lack of growth in the European economy and about whether the eurozone has the right strategy for building its way out of the fiscal hole in which it finds itself.

Jacob Rees-Mogg (North East Somerset) (Con): Given that we are net contributors to the EU budget, which puts a great burden on our taxpayers, will the hon. Gentleman explain how building a railway in Romania would help the UK economy?

Chris Leslie: It is important that the European Commission, and the eurozone in particular, focus on getting economic growth. My simple point is that it is not happening. An austerity-only approach is being taken, but it is not working, just as it is not working in this country. Of course we have to ensure that we reduce the proposed budget increases—we do not disagree with that—but there are ways to stimulate an economy within that envelope, including through a phased approach towards the European spending review process. That is my point. It is the glaring omission from the Government's plans so far.

Mr Redwood: Will the shadow Minister bring us up to date with Labour thinking on the IMF having more money to lend to save the euro? Does Labour think that it would be a good idea because it would promote growth, or a bad idea because it would damage the British budget?

Chris Leslie: We are all waiting to see what proposals come forward. The Chancellor has said that he will come to Parliament and let us have a say on many of these things. Indeed, perhaps the Minister can help us out with the timing of those proposals—*[Interruption.]* If he would care to listen to my questions, perhaps he could also tell us when we will get the Bill to enact the European financial stabilisation mechanism permanent bail-out fund. We are all waiting for that. The eurozone countries are supposed to be rolling together the European financial stability facility and the EFSM into that permanent arrangement, but as I understand it we will have to legislate for that. Will he tell us when that will happen, because it is related to this question about potential IMF funding? We need clarity from the Government—and from the IMF as well.

Graham Stringer: I completely follow my hon. Friend's logic, but surely this is not the largest issue facing the future of the European economy. The largest issue is that the people running Europe are determined to keep a political project going by competitive deflation in the

countries of Europe. The best solution for the whole European economy is for an orderly break-up of the euro, particularly for those economies, such as Greece and probably Italy and Portugal, that are, in effect, bankrupt.

Chris Leslie: I do not agree with my hon. Friend that the break-up of the euro would be in the UK's interests, but there are dangers with a permanent deflationary lock in the fiscal policies of the eurozone countries. That is why, both in the UK and across the eurozone, far more must be done to get growth into those economies. They have to grow in order to build their way out of the hole that they are in. In that sense, the ambitions, which many people share, of improving infrastructure across the EU, while laudable, need to be seen in the context of the affordability criteria that must be applied to them. We have to act to unblock the clogged arteries of Europe, connecting the major cities of the continent, making it easier for business and opening new opportunities for growth in the single market. Capital investment in infrastructure is extremely important as a driver for growth.

What progress are Ministers making in shaping the European spending review? That is absolutely at the heart of today's debate. After December's phantom veto—the first veto in history that stopped precisely nothing—the UK has to pick up the pieces and try to influence the important EU budget process. The Minister was throwing around history lessons about the common agricultural policy and various other things. However, we need to know what exactly this Government are going to do about the common agricultural policy. What is he going to do about the spending proposals? Rather than walking away before the negotiations even begin and leaving another empty chair, the Minister has to raise his voice, build some alliances and secure a more appropriate level of expenditure that also shifts priorities.

Mr Bone: We have an excellent shadow Minister, who is always on top of his brief, but I do not think he was here when Tony Blair gave a commitment that the CAP would be reformed, so that our net contributions to the EU now would be at the same level as they were then. Clearly that was wrong. Would the hon. Gentleman and his party support our most excellent Minister going into battle and saying, "We're not going to pay any more than our initial subscription was to the EU"?

Chris Leslie: I did not quite hear that from the Minister. If that is the Government's position—perhaps the hon. Gentleman has a hotline to the Prime Minister on these matters—I would be very interested to hear it.

I agree that the proposed budgets for EU institutions are still too high. Export refund practices have to be cut back. We have to change agriculture policy so that it is fairer to smaller farmers and ends the ridiculous tobacco and wine subsidies that are lavishing payments on some of the very wealthiest players in the wealthiest EU countries.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): I wonder what the hon. Gentleman's proposals might mean for crofters in the highlands and islands of Scotland.

Chris Leslie: We have to change the common agricultural policy. My point is that the CAP is far too heavily involved in subsidising the big multinational farming institutions, which are the largest agricultural producers, and is not fair enough on some of the smallest farmers and crofters.

Kelvin Hopkins: One simple point, which I have made before, is that if the common agricultural policy were abolished, we could continue to subsidise farmers at the same level and be net beneficiaries.

Chris Leslie: There is much agreement on the need to reform the common agricultural policy. More should have been done in the past, but more needs to be done now. I want to hear the Government's strategy on that. I want to hear how they are going to win some concessions and what they are doing to change the negotiation stance. They are certainly doing nothing about refocusing growth priorities or reforming the common agricultural policy.

We have to re-order the connecting Europe facility so that we can phase capital infrastructure components and enhance employment and growth. While the 26 other countries are busy negotiating their new economic treaty without the UK taking part, they will realise that the EU budget is highly relevant to their economic predicament, particularly in the eurozone. I would therefore like to ask the Minister an important question: how will he ensure that he keeps track of all those discussions on the sidelines—all those deals being done in meetings that he will not be party to—so that the UK voice is part of the process?

We are discussing an important series of proposals, which touch on broadband, transport and energy policy. A year ago, the Government unveiled their broadband strategy. It is becoming clear that the vast majority of local authorities are not likely to meet the Government's universal broadband target by 2015, which has already slipped by a couple of years compared with the target that we set when in government. We tabled some freedom of information requests before the Christmas break and discovered that 70% of local councils said that they had

"not made any plans, provisions or budgeted to take advantage of the Government's funding allocation for broadband provision,"

and that 74% had had no assessment made of the likelihood that the roll-out of superfast broadband in their areas would be completed by 2015. The Minister therefore needs to explain why a quarter of local authorities say that they have not even been contacted by BDUK—Broadband Delivery UK—about the need to secure funding; indeed, only a quarter have made plans to finance universal broadband roll-out. Even the Countryside Alliance and the Federation of Small Businesses agree that the Government are not doing enough to support Britain's digital future.

Charlie Elphicke (Dover) (Con): It was the previous Labour Government's policy to have a telephone tax. Does the shadow Minister still believe that the telephone tax is the right way forward? Yes or no?

Chris Leslie: I really do not think that anybody was proposing a telephone tax in the sense that the hon. Gentleman characterises it. We have to find ways to fund improvements in broadband communication, but

[Chris Leslie]

my question to him and the Government is this: what exactly is their target for broadband roll-out? They have still not said. The EU is talking about some 30 megabits per second and 50% at 100 megabits per second by 2020, which is quite an ambitious target, and we had our targets for 2012. Perhaps the Minister can consult his colleagues on that.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): Will my hon. Friend give way?

Chris Leslie: I will give way to my hon. Friend in a moment, but perhaps the Minister can listen to this. What exactly is the Government's 2015 target, by megabits per second, for broadband roll-out? I would be very interested if he could elaborate on that. I will give way to the Minister if he has an answer to that, but perhaps my hon. Friend can also help me.

Chi Onwurah: My hon. Friend is making some excellent points. It should also be pointed out that the Labour party's target for universal broadband was fully funded from the digital switchover. The Minister talks about the need for targeted infrastructure investment. Does my hon. Friend agree that what businesses need right now, particularly rural businesses up and down the country, is a decent broadband speed to enable them to get online and contribute to growth as part of our recovery?

Chris Leslie: My hon. Friend is absolutely correct. It is imperative that rural businesses should have that connectivity and that level of dialogue, e-mailing and information exchange as soon as possible. The data must be able to get out from those businesses and their localities. This delay and prevarication from the Government, in a strategy that does not even seem to have a target, is entirely atrocious.

On transport, no one would disagree—there is quite a lot of cross-party consensus on this—that we have to tackle bottlenecks and missing cross-border links, and promote new ways of improving the single market. We agree with the Government that there are potentially added elements of bureaucracy in the proposed project management of the core networks which conflict with the principle of subsidiarity. There is a risk that the comprehensive networks, and not just the core corridors that the EU is focusing on, might lose out if structural funds are not available for UK transport infrastructure projects. We want the trans-European network policy to concentrate not just on jobs and growth, but on decarbonising the transport sector—a modal shift from road to rail, particularly for freight—on greater connectivity within networks and, of course, on improved transport safety. A transport infrastructure that addresses economic disparities, and is aimed at delivering jobs and tackles the pinch points, gaps and capacity constraints in the EU networks is essential to tackling Europe's continuing economic issues.

The Commission is probably correct to highlight the infrastructural deficiencies in our collective electricity and gas networks. However, there are some highly prescriptive elements of the Commission's proposals, which may not allow the right degree of flexibility to accommodate some of the domestic UK projects and procedures that are already under way. For instance, there is a danger of overlap of activity on the North sea interconnector, which is currently being examined for feasibility. As for planning issues, much of the streamlining process has already been dealt with through the Planning Act 2008, despite the fact that the Government have already stepped away from some of the benefits of the Infrastructure Planning Commission. We see no benefit in overlaying anything on that, leading to duplication and slowing processes down. We suggest that the Commission should instead concentrate its energy infrastructure proposals on the carbon capture and storage agenda.

Existing procedures for bidding for EU funding are under way, but the value of the funding is affected by the carbon trading regime. In recent months it has fallen, making the available investment worth less. Carbon capture and storage could make a significant difference to the viability of fossil fuel electricity generation, and has yet to be proven on a commercial scale. The role of EU funding in this area is becoming more significant since the collapse of domestic carbon capture and storage projects here in the UK in the past year. Despite the Government's promise that the £1 billion funding would remain available for CCS, it has now been reallocated to the wider infrastructure fund announced in the autumn statement, leaving carbon capture strategy in the UK in some doubt.

The Minister mentioned the fact that the proposals touch on innovative financial instruments. There is a serious lack of clarity on what exactly the Commission is proposing, and what exactly the Government's principles are on innovative financial instruments. We need more substantive debate on this matter, and more information ahead of the discussions. The Commission needs to reduce its proposed budget, and the Minister needs to get off the sidelines and step into the negotiations. The Government should be doing far more to reorder the phasing of the capital infrastructure schemes here in the UK and across Europe. Above all, they should develop more effective deficit reduction strategies at home and across the EU, with an urgent and credible plan for growth.

1.21 pm

Andrea Leadsom (South Northamptonshire) (Con): As I understand it, the EU's ambition is to develop a trans-European network in transport, telecommunications and energy as part of the treaty on the functioning of the EU. It therefore wants the budget for 2014 to 2020 to include sufficient funds to put an extra €50 billion into a connecting Europe facility. However, it also wants to regulate EU-wide programmes. Specifically, on transport, it is proposing that member states commit to a core network by 2030, and to a comprehensive transport network by 2050. The EU estimates that it would cost Britain between £64 billion and £137 billion to meet those targets over that period. Does the Minister believe that if such a regulation were to come into force under qualified majority voting, it could force Britain to spend that amount of its own resources in a way that would be directed by the EU? That would be an astonishing outcome.

On energy, the Commission believes that member states need to spend €200 billion on electricity and gas networks alone, and that €1 trillion is needed for EU energy infrastructure in total. Will the Minister tell me

what proportion of that the UK would be required to spend, and whether that requirement would be enforceable at EU level under QMV?

On telecoms, the EU target for rolling out broadband is different from that of the UK. The Commission believes that there are telecoms bottlenecks that hinder the single market. In the light of our own recent commitment to rolling out superfast broadband, I would be interested to know whether the Minister thinks that the British Government need the EU's advice or the Commission's targets on how, and to what level, we roll out superfast broadband here. Are those legitimate areas for the EU to be involved in, or are they domestic matters? Does the Minister see a pan-European angle to these questions or not?

What is the Minister's view of top-down EU expenditure, made entirely at the taxpayer's expense, as opposed to private sector, or combined public and private sector, investment? Is he aware of any efforts by the Commission to test private sector interest in some of its pet schemes? What proportion of the roughly €7 billion that Britain's taxpayers would contribute to the connection fund would be spent here, where there is a huge backlog of infrastructure needs, rather than elsewhere in Europe?

I want to make three broad comments on the proposals, in support of the motion. First, I find it astonishing that the European Commission seems to be the only bit of Europe in which the recession, the financial crisis and the issues of sovereign insolvency have passed unnoticed. It is as though it were inhabiting a parallel universe.

Harriett Baldwin (West Worcestershire) (Con): Does my hon. Friend agree that the cost of moving from Brussels to Strasbourg on a regular basis is an ideal budget item to be struck through before forcing member states to spend money on these proposals?

Andrea Leadsom: Yes, I completely agree with my hon. Friend's excellent idea. That would be high on my list of bits of wasteful bureaucracy to get rid of.

What sort of parallel universe is the European Commission inhabiting, if it thinks it reasonable to be expanding the European budget for 2014 to 2020 in the current climate? Why is the EU seeking to take power and control over these particular policy areas, at a time when they are already high on our own Government's agenda? Requiring Britain to contribute to EU funds is not acceptable, and giving the Commission the authority to require Britain to make expenditure on its own domestic projects is equally unacceptable.

My second point is that the EU has proved itself time and again to be an inefficient allocator of scarce resources. In regard to structural funds, Open Europe estimates that Britain has contributed €33 billion between 2007 and 2013, and that we have received roughly €9 billion. If we took back control over that €33 billion, we might well wish to continue to contribute to the poorer EU member states—that is, those with a national income of 90% of the average or less. However, if we had contributed the same amount to those poorer member states, we could also have spent the same €9 billion that we received from the structural fund, creating a £4 billion saving. If Britain had allocated that same amount, €9 billion, to its own regions, plus the same amount to the poorer EU states, there would have been a £4 billion saving that could have gone towards reducing our deficit or investing further in the poorer regions of the UK. The difference identified by Open Europe's estimate is a result of the leakage due to the recycling of cash between the richer countries.

It is interesting to note that the Department for International Development spends about 4% of its budget on administration, with a target of 2%. By contrast, the EU Commission spends 5.4% of its contributions to overseas aid on administration. No doubt it is very conscious of that figure, as it has been singled out for comment.

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): The hon. Lady is making quite an interesting point, but does she not agree that the problem with her argument is that the British state does not have any convergence mechanisms?

Andrea Leadsom: I am sorry, but I am going to have to ask the hon. Gentleman to repeat his question. It does not have any what?

Jonathan Edwards: It does not have any convergence mechanisms for redistributing wealth around the British state; that is the whole problem.

Andrea Leadsom: I thank the hon. Gentleman for his question. He makes a good point, and he is absolutely right. It might interest him to know, however, that of the UK's 37 regions—as defined by the EU—only two, Cornwall and west Wales, are net recipients of structural funds. All the other regions have been net contributors, including the highlands and islands region, which has contributed a net €66 million to structural funds over the past seven years, and the Tees valley and Durham region, which has contributed a net €453 million over that same period. He makes an interesting point, but in my view Britain would be far better placed to decide where to allocate those scarce resources.

Another illustration of the EU's inability to do that job is the recent Commission study that found that 170,000 full-time equivalent personnel were needed for a whole year to administer the EU's structural funds during the last budgetary period. That is an unbelievable number of people. On the grounds of efficiency, therefore, the allocation of funds would be far better being done at home.

My third point relates to legitimacy and localism, particularly in the areas of transport and energy. We are talking about huge, extraordinarily expensive projects that are deemed to be in the national interest. There is no doubt that, while we all want instant access to energy, we are not all so keen to have a nuclear power station two miles down the road. The case must always be made by democratically elected, legitimate leaders for the need for a particular project and/or location. HS2 is a very good example of a project on which a majority of those consulted rejected it, yet where the Government decided that it was in the national interest to disregard their views. In the case of the third runway at Heathrow, the Government decided that public opinion outweighed the national need for aviation expansion. My point is that the EU, with its remote and bureaucratic image in Britain, is hardly the right place from where decisions on projects that affect lives and communities

[Andrea Leadsom]

should be taken. The great risk is that local priorities for infrastructure will be undermined while infrastructure for energy and transport projects will be forced on local communities that do not want them.

Let me end with a word of friendly advice to the European Commission. It should focus on facilitating the single market, expanding its membership and contributing to areas that are of common interest to all member states and where the EU together can add value. It should keep away from European domestic affairs and avoid the pernicious creeping power grab that this latest proposal so clearly highlights.

1.31 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I disagree with the Government motion. I do so in part because the economic and financial position set out in it is in opposition to the policies I have espoused since I was elected, and I oppose it in particular because it would have the effect of further disadvantaging my constituents and my country.

The budget for the entire European Union looks small by comparison when placed in the context of national budgets. The majority of expenditure is on items related to agriculture and to those parts of the European Union that qualify for the cohesion fund in order to promote those areas so that their gross value added is increased to compete with more established areas of the European economy. What a pity that the British state does not employ similar convergence mechanisms! I hope that explains my earlier intervention.

The cohesion fund areas include my constituency in the west Wales and the valleys region. Whatever the arguments for the whole of the UK, and we have heard many powerful arguments to that effect, the redistributive nature of European funding is beneficial for many of my constituents. Indeed, the €50 billion recommended by the Commission in the next multi-annual financial framework for the connecting Europe facility specifically includes 20% ring-fenced in the cohesion fund for transport infrastructure.

Mrs Main: I come from Wales, so I might have to declare an interest in this matter. Does the hon. Gentleman believe that a European state is better at giving money to his constituency than people who are already within the UK?

Jonathan Edwards: I thank the hon. Lady for her intervention; I shall touch on that as I continue with my speech. That is certainly the case as far as transport investment in Wales is concerned.

In terms of the TEN-T—the trans-European transport network—the proposals for UK core nodes show little connection with the needs of Wales and the improvement of Welsh infrastructure, which is key to developing the economic prospects of Wales. None of the nine urban nodes is in Wales—neither the Cardiff nor the Swansea city regions—while Cardiff airport is not included in the airports provisions. Although Cardiff and Newport ports are both included among the 15 named ports, neither is in the west Wales and the valleys areas that receive cohesion fund support.

The Commission determines a Dublin-London-Paris-Brussels corridor—corridor 8, which includes a route from Belfast to Birmingham through Holyhead. However, critically, no southern corridor route through Wales is referenced among these major routes. Milford Haven in south Wales is the third largest port in the British state and an ideal point for a southern corridor route to and from the southern parts of the Republic of Ireland. I notice that Cork—a port, and the obvious linkage between the Republic of Ireland and Wales—is instead linked with Dublin, Southampton and Le Havre. If Wales were an independent country inside the European Union, it is difficult to imagine that it would be neglected in this way by the European Commission. A designated route along south Wales would bring significant economic benefits to the region, including to the communities I represent in Carmarthenshire, as well as the future development of Milford Haven as a port.

Having spoken to representatives of the Milford Haven Port authority, I understand that Milford Haven meets all the requirements of the European Commission. It is among Europe's largest 80 ports and handles cargo of more than 43 million tonnes. It is a core link between the Republic of Ireland and Europe. Does the UK Government's refusal of the connecting Europe facility mean that west Wales is being let down not just by the European commissioners, but by the London Government who are not fighting for the necessary improvements?

The UK Government will know that I have been a keen supporter of the electrification of the great western line not just to Swansea, but further to the west of Wales, and especially through my constituency in Carmarthenshire. It remains a disgrace on the part of the British state that while Glasgow to London was electrified as far back as 1974, the electrification from London, even as far as Cardiff, still remains in the planning stages and about 80% of even that electrification will take place in England.

Electrification is one of the criteria for rail in the comprehensive network, yet electrification of the north Wales coast line or the great western main line west of Cardiff are apparently not up for discussion—even though these would largely qualify for cohesion fund support. I hope this clarifies my response to the hon. Member for St Albans (Mrs Main). To what extent was this considered when the business case for electrification to south Wales was put forward, particularly with regard to the port of Milford Haven? Given the answers I have received to written parliamentary questions since May 2010, I imagine that little thought has been put into this proposal, as no estimate has been made of the cost of electrification for the areas past Swansea, despite the importance of the ports of Fishguard and Milford Haven. Rail connection from London through Bristol, Cardiff and Swansea itself is, in the annex to the proposal of 24 October 2011, identified as part of corridor 8, and it is described as "upgrading".

We know, of course, that without a U-turn from the UK Government the electrification will go only as far as Cardiff. The European Commission thinks that electrification to Swansea is important as part of Europe-wide rail and transport links, but the UK Government do not, it seems. In a nutshell, here is one reason why my party prefers full member status within the European Union to the present constitutional position. While the EU shows interest in cross-European co-operation and

investment, UK policy in recent decades has been increasingly to concentrate on promoting one part of the British state down here in London.

As to the remainder of the proposals, we welcome the support provision for telecommunications in the Commission's recommendations. When we were in government in Wales, the increase in broadband across Wales was a major plank of my party's economic renewal plan. Improved telecommunications allows Welsh businesses and Welsh customers to be at the heart of Europe in a way that occasionally our geography does not. That applies particularly to digital connectedness in rural areas such as my own constituency. Will the Government confirm that, despite their opposition to the proposals in the Commission's draft regulations, the digital facilities in Wales will be at least as good as the goals identified in the digital agenda for Europe and that support for cross-EU help for businesses and individuals will be similarly provided?

On energy, we support the fastest possible and credible reduction in carbon dioxide emissions and a switch to renewable energies from fossil fuels. It is only a shame that Wales is not an independent country able to control its own energy mix and that major energy decisions are made for us instead here in London—either via the Infrastructure Planning Commission or in future by the Secretary of State for Energy and Climate Change. As a country, we generate more electricity than we consume, so transmission is always a very important issue. I must refer once again to Milford Haven—an important energy portal where liquefied natural gas is imported from across the world.

To conclude, my party's policy throughout the economic crisis since 2007 has been to argue that capital infrastructure spending is vital for the revival of the economy in both the short and longer term—maintaining the construction industry in the short term and increasing opportunities for the future. In Wales—a country that has the same amount of electrified railway as Albania and Moldova, and whose transport infrastructure is geared to move extremely slowly from east to west and not from north to south—infrastructure investment is important.

Wales sees many benefits from the European Union, not least from the common agricultural policy and from the cohesion fund. However, these proposals from the European Commission do not go far enough in supporting infrastructure improvements in Wales, yet they are ironically being rejected by the UK Government because they involve spending too much. I call on various Ministers in this place and in the Welsh Government to work together with the Commission, the Council and the European Parliament to achieve a better deal for Wales in the connecting Europe facility.

1.39 pm

Penny Mordaunt (Portsmouth North) (Con): I welcome the Government's approach to this and connected issues. I agree that large increases in EU spending are not acceptable at present, and that they jar with the necessary and tough measures required by member states to tackle their deficits. Measures that would impose substantial bureaucracy and associated costs on member states, and on our local authorities and businesses, are both unwelcome and unnecessary. Allowing such decisions to remain with member states would not erect a barrier to the progress of schemes that would benefit the single market.

It will come as no surprise to many Members who are present, particularly the Minister of State, Department for Transport, my right hon. Friend the Member for Chipping Barnet (Mrs Villiers), that I intend to speak mainly about funds for the core and comprehensive transport networks, as I never need much excuse to start talking about trains. The main purpose of the funds is to promote co-operation and co-ordination. We need only look back to the early days of rail to see that that is very important. In the 1870s, the Great Western Railway was busily laying a gauge of 7 feet while every other company was busily laying gauges of 4 feet 8 inches, and better planning would certainly have saved Brunel and his contemporaries a lot of grief, but such co-operation does not require us to pay into a centrally administered fund. We should spend the money on projects that benefit the UK directly, which would not preclude co-operation.

Transport spending must be directed towards projects that will support growth and investment in member states, but that should be a matter for individual member states. The Government are prioritising new projects that will yield a substantial return on investment, such as High Speed 2, Crossrail, Thameslink and, in order to make faster journeys possible, the electrification of key routes such as the First Great Western service between London and Cardiff, the First TransPennine Express route from York, Leeds and Manchester, and services between Liverpool, Preston and Manchester. Many of the schemes are controversial, and following consultation the Government have made changes. What chance would our citizens have to influence such schemes if the decisions were not made by the Governments of member states?

As well as yielding a good return on investment, the Government's schemes will reduce the impact on the environment, and the aim will be to keep pace with public demand in terms of both capacity and quality. Other member states should be doing likewise. I am concerned about the idea of the UK's paying into a fund and receiving very little back, in the form of either infrastructure or benefit from a scheme in another member state. I think that that is true of any member state, but our geography makes it doubly true of us.

According to my quick and dirty assessment, given the focus on the missing border links scheme and other measures intended to support growth in the single market, many schemes favoured by the UK would be very low in the pecking order were the Commission's proposal to proceed. Moreover, member states would be given no incentive to put their own houses in order and prioritise spending, because some of the criteria for the operation of the fund would be skewed towards states that had continually failed to get to grips with balancing their books and controlling their spending.

As Ministers will know, my hobby horse extends beyond greener and faster transport to comfort standards and the opportunity presented by rail franchises. The Financial Secretary to the Treasury, who is a neighbour of mine, will know of the campaign to prevent South West Trains from continually replacing rolling stock that it should be using for main line services with substandard suburban stock. Those issues are not as high-profile or sexy as the issue of new routes, but they

[Penny Mordaunt]

are very important to the public, and they affect the viability of particular modes of passenger transport as much as new routes.

In a short space of time, franchise agreements and many other factors will present us with real opportunities. We need to seize those opportunities, and given that they will be time-sensitive, the more healthy our financial position and the more flexibility we have in making decisions and attracting investors, the better. I am firmly in favour of member states retaining as much control as possible over these investment funds.

1.44 pm

Kelvin Hopkins (Luton North) (Lab): I strongly support the amendment and its heavy emphasis on growth, because growth is the way to reduce deficits. Members who have seen *The Independent* today will know that our deficit is rather lower than those of many other major European member states, and that our biggest debt is located in the banks rather than in state spending. The fact remains, however, that the way to lower deficits is to achieve growth. Creating employment and ensuring that people pay taxes rather than living on benefits is the way forward.

I agreed with most of what was said by the hon. Member for South Northamptonshire (Andrea Leadsom), who is no longer in the Chamber. In particular, I agreed with the hon. Member for Portsmouth North (Penny Mordaunt), who pointed out that we do not need the European Union or the European Commission to tell member states what they need and what they should build, and to spend our money for us. Member states themselves know best what they need, and what should be done to meet those needs. International co-ordination is best achieved through bilateral and multilateral agreement and collaboration, rather than through the bureaucratic controls imposed by the European Union.

Big infrastructure has indeed been built by European national Governments, especially rail freight infrastructure. We have our own channel tunnel, which is a product not of the European Union but of a collaboration between France and Britain. We have the channel tunnel rail link, which is also nothing to do with the European Union. We have rail tunnels through the alps, built to a broad gauge that enables trains to carry lorries and double-stack containers and providing a freight link from southern to northern Europe. Those were built by states using state funds. The Brenner pass, a 28-mile tunnel built to a broad gauge through faulted rock, also carries freight between northern and southern Europe, and it too is the work of member states rather than the European Union. We have the Betuweroute, another broad-gauge freight route linking Rotterdam to the Ruhr. When I visited it, I asked who had paid for it. I was told, "The Dutch Government, of course." The state bears the cost, not the European Union.

We know that the EU offers token amounts to investment projects to try to confer some relevance, presence and significance on itself, but that is not the real deal. The real deal is that states decide what they want and need and pay for it—sometimes with private finance, but largely with state funds—and, on occasion, collaborate with neighbouring states to ensure that things work well.

What the United Kingdom needs is investment in a dedicated rail freight line from the channel tunnel to Glasgow. Although we are somewhat peripheral to the continent in geographical terms, we need to be linked with its economy. I refer to the continent rather than the European Union because we are talking about the whole continent, which extends beyond the bounds of the European Union as it is currently constituted.

We need to be linked to the continent by freight as well as passenger rail, and that will be possible only if the delivery system on this side of the channel is capable of taking trains carrying lorries and full-scale and double-stack containers, and, indeed, continental-gauge trains, which cannot gain access to our platforms or our tunnels. In fact, I have been involved with a scheme—which I have mentioned in the Chamber a number of times in the past—to build a line from the channel tunnel to Glasgow, linking all the major conurbations of Britain and capable of doing all the things that I have just mentioned.

Mr Bone: The hon. Gentleman is making an enormously powerful speech, as he normally does on these issues. Does he share my concern about the fact that, although members of his party and the nationalist parties have been in the Chamber today and the Conservative Benches are full, not a single Liberal Democrat Member has been present? Given that the Liberal Democrats make such a fuss about Europe and restrict what the coalition can do about it, where on earth are they?

Kelvin Hopkins: The hon. Gentleman makes a good point, but I have to say that the Liberal Democrats are in a coalition with his own party. It is his grief rather than ours, I think, so I will not intrude.

To an extent, work on a dedicated rail freight line has already begun. A terminal at Barking is taking trains from as far afield as Poland. However, although they can travel as far as Barking using the channel tunnel rail link, they can proceed no further because the gauge will not allow it.

According to an old chestnut, if we build HS2 we shall be able to take the passengers off the west coast main line and free it up for freight, but making that line capable of taking continental-gauge trains, double-stack containers and lorries would be prohibitively expensive. We need to build a line to take the freight off the west and east coast main lines and off our roads, so that the lines can be freed up for more and faster passenger trains and we can provide more capacity for passengers travelling to the north while taking as much traffic as possible off the roads. It is estimated that we could take 5 million lorry journeys off our roads simply by building that route, which would be economically viable and cheap to build.

The scheme has a precise route that uses old track bed and under-used lines, and requires only 14 miles of new track, mostly in tunnels. It will be easy to construct, it will not cause any environmental problems as the track bed is already there and it will be cheap to build. Some estimate that the whole route will cost as little as less than £4 billion. We have put in an estimate of £6 billion, which is still a third or so of what we will spend on Crossrail—I support Crossrail—and a tiny fraction of what will be spent on HS2, yet we would get an enormous advantage to our economy and transform

road transport in Britain as we would not get the road damage caused by lorries, as the freight would be on trains instead.

The scheme would attractive to hauliers because they would not need to worry about drivers' hours problems. They could put their lorry trailers on trains in Glasgow, south Lancashire, south Yorkshire or the north-east and, eventually, in the south-west and south Wales, and overcome such problems. On the question of unemployment, there is a shortage of long-distance lorry drivers because it is not a popular job. It takes people away from home and it is very difficult. The little group proposing the scheme even has a major haulier working with it.

That scheme is what Britain needs. It has nothing to do with the European Union, which would not pay for it—we would. It would offer value for money, it would be profitable and economical and it is vital for our future. I hope that both the Government and my hon. Friends on the Front Bench will listen carefully to our suggestion.

1.51 pm

Charlie Elphicke (Dover) (Con): I, too, support the motion, although it is, as always, a pleasure to follow my hon. Friend the Member for Luton North (Kelvin Hopkins), with whom I sit on the Select Committee. I support very many of his considered views on Europe.

This strikes me as a classic European measure with excessive spending, excessive bureaucracy and excessive meddling. As the Minister said, the amount required will shoot up from about €7 billion to €50 billion. That is excessive at a time when no sensible Government and no sensible European Union or Commission would want to increase spending.

Another thing that I find extraordinarily bizarre is the idea of a core network, core corridors and corridor co-ordinators. It is yet another nascent European bureaucracy to build up extra numbers of people in Brussels and large programme management costs, and it seems to me to offend against the principle of subsidiarity—as has been said, this should be done more nationally—and to feed the unnecessary bureaucracy in Brussels. The key question, to my mind, is the concern that the so-called corridor co-ordinators who seem to have crept in could become corridor meddlers and start telling member states what to do, issuing directions and making orders. That is entirely undesirable.

It is much better for there to be co-operation between nations, which is the principal reason I wanted to speak. There is a lot to be said for nations working together on cross-border transport corridors. The draft proposals—beautifully and lucidly set out in the explanatory memorandum that the Minister of State tabled last November—talk about core network corridors, which the Commission defines as

> "an instrument to implement the Core Network. Each Corridor must involve at least three Member States. Will be based on modal integration and interoperability and have a coordinated development plan and management structure."

That is classic European-speak. I do not think that that needs to be done by the European Commission; it could be done by the UK and individual nations, working to improve cross-border networks. That is particularly important for the transport networks in Kent, which join the rest of the continent to our country and our transport networks so well.

My principal concern is that for many years there has been under-investment in those networks. We have the M20, which is a kind of concrete motorway, and the A2, which has been waiting to be upgraded. On the continent, likewise, the road network, as anyone who has travelled there knows, could be better. A key area for cross-border co-operation could be for the UK Government to consider how those networks could be improved along with the French, the Belgians and the Dunkirk port. A map of Europe shows the so-called golden banana stretching from south-east England towards lower Bavaria, at the heart of which is the Dover strait and the Dover-Calais crossing. Indeed, the Dover-Dunkirk crossing is an important part of the communication and trading links that are so important to our nation's prosperity and to that of Europe.

If, despite our warnings in today's debate, the fund is to be extended as suggested, it should not be invested in rail networks in Romania, as my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) suggested it might be, but in upgrading international transport links between the UK and other countries in the so-called golden banana to help Europe to grow. It is important that we have more growth in Europe and that we support first the area that can provide the value added and recovery generation to drive our European economy forward. My plea to the Financial Secretary and to the Minister of State is to meet me to discuss what we can do in Kent to make the case to France and our friends in Belgium, to ensure that we at least get a fair part of the fund to see whether we can improve the transport networks in Kent and take forward the lower Thames crossing.

1.57 pm

Mr William Cash (Stone) (Con): The problem with this over-arching proposal is basically that it will be carried by qualified majority vote and is therefore, in effect, a form of taxation. Whatever proportion of that overall budget of £43.7 billion eventually falls on the United Kingdom, the Committee of which I have the honour to serve as Chairman believes that the scale of the Commission's ambition for the 2014 to 2020 financial period is clearly unacceptable. On that basis, there is no doubt that the thrust of the Government's motion is correct.

Although I happen to agree with the proposals on growth in the Opposition motion, the fact is that the Opposition are guilty of having severely restricted any opportunity for growth through the massive increase in public expenditure that they imposed on the United Kingdom. I and two or three other Conservative Members continually attacked that increase for the best part of three years and, as I repeatedly said at the time, there was no proposal for growth, which was connected to the problems of over-regulation, of which these proposals are yet another example.

The truth is that there should have been a full debate—there still may be opportunity for such a debate—on what is going wrong with the European Union as a whole. That debate is necessary because, as the Government have pointed out, the EU is calling on member states

[Mr William Cash]

such as ourselves to produce more money for projects that could be better carried out under the so-called principle of subsidiarity at a national level.

At the same time, it is abundantly clear that there is no money in the European coffers. We should be debating the eurozone crisis as a whole in a three-hour debate on the Floor of the House, which my Committee has unanimously called on the Government to provide, but when I and my hon. Friends the Members for Gainsborough (Mr Leigh) and for Bury North (Mr Nuttall) repeated our calls this morning for a general debate it was denied by the Government, yet again.

Mr Bone: On that point, the Backbench Business Committee can, of course, grant a full-day debate on Thursday of next week if the Government release that day, which they are holding back for a general debate. Would my hon. Friend urge the Chief Whip to consider doing that?

Mr Cash: I certainly would. I endorse that course of action, and I would be grateful if the Whips on duty would pass that message to the Chief Whip—and, indeed, the Leader of the House—because we are faced with a monumental crisis in the European Union. That is only a symptom of the problem, which is generated by the intrinsic defects of the accumulated treaties, particularly since the Maastricht treaty in the 1990s.

So much is decided by qualified majority vote despite the fact that we currently face such severe restrictions and so much austerity, which is causing difficulties for our hospitals, schools, transport and so much else. Proportionality in respect of allocations is required. Getting that balance right is vital for our national interest. We should therefore have a debate on the Floor of the House, and not only on this one issue, important though it is.

I attended the multiannual financial meeting of about eight weeks ago as a member of the European Scrutiny Committee on behalf of the United Kingdom national Parliament, and I felt compelled to get up and complain bitterly about the complete "Alice in Wonderland" attitude that prevailed there. People were calling for an ever-greater increase in the amount of money that should be made available to the EU, and they were justifying that by reference to the Lisbon treaty, for example. They said that as the functions had grown, there ought to be more money. There is absolutely no recognition of the fact that there is simply not enough money to go around. We should be proceeding on the basis that we must reduce, rather than merely freeze, the budget.

The Government motion is right, therefore. However, we are facing demands from the financial transaction tax—I accept that we can veto that—and there are also attempts to stop our rebate and proposals to increase own-resources. Cumulatively, those moves are putting pressure on us to move in the wrong direction. There are great opportunities for the UK in a trading environment that is global—across the world, rather than just in the EU, important though that may be—and that is the direction we should be going in. All transport issues, including aviation policy and the development of our local infrastructure, should be taken by ourselves in the interests of the UK, rather than determined by QMV involving the other member states.

The European project is completely misconceived, and it is failing; the eurozone crisis will ultimately lead to collapse. The current situation is rather like the phoney war of 1938 and 1939: everybody knows the situation is doomed, but they are continuing to pretend that somehow something will turn up.

My message is that the Government motion is right in general, but that there is not enough determination to renegotiate the treaties. I welcome the veto, but once we cross the Rubicon, we cannot cross back. The reality is that any attempt to do so will meet with disaster, division and acrimony.

I am glad that we have had this debate, but there are also more important matters that must be debated as a matter of urgency. As I and my hon. Friends the Members for Gainsborough, for Wellingborough (Mr Bone), for Bury North and many others have said, we must have a proper debate on the extent, range and depth of the eurozone crisis and its impact on the UK.

We must also explore the other key issues facing us, such as why we are being confronted with QMV decisions to impose what is, in effect, a form of taxation to provide for certain facilities. Such decisions should be made on a bilateral national basis. It is not anti-European to say that is what we should do, because doing that is in the interests of Europe. What Europe is doing, however, is determinedly pursuing a completely false prospectus and then compounding that—sadly, with our Government in agreement, it appears—by proposing that we should find yet more devious means of providing money through the IMF to support what is an insupportable project. That simply flies in the face of common sense.

2.5 pm

Mr Peter Bone (Wellingborough) (Con): It is a great pleasure to follow my hon. Friend the Member for Stone (Mr Cash), who is, as ever, absolutely right in all he says.

On the issue of our having a day-long debate on Europe, I am pleased the Deputy Leader of the House is present. The Leader of the House is right that the Backbench Business Committee has been given the authority to authorise debates. If we were to have a bid for such a debate at one of our Committee meetings—which are held on Tuesdays at 1 o'clock—I think it would be given very careful consideration. The problem we have is that the Government do not allocate days to us far in advance. From what the Leader of the House said, we know that Thursday of next week has been allocated for a general debate, although at present a general debate in Government time. If the Government were to release that to the Backbench Business Committee, we could consider this question on Tuesday, and if there was a representation from my hon. Friend the Member for Stone—and, perhaps, other Members—we could have such a debate on Europe.

It concerns me that so few Liberal Democrat Members are present for the debate on this motion. I am not concerned that we are missing their contributions, because what they would say would not be worth hearing. My concern is that they might be boycotting again. Is this the Deputy Prime Minister's attempt to have another boycott?

Mr Clappison: The general debate that my hon. Friend is arguing for is directly relevant to the motion, because tens of billions of pounds in extra expenditure will have to be found, and a large and disproportionate amount of that will have to come from this country. Some of that will come out of general taxation under the funding mechanism for the EU, adding to our indebtedness—and presumably other member states will face a similar situation.

Mr Bone: My hon. Friend is absolutely right.

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): As he always is.

Mr Bone: I concur with that remark, of course.

I do not blame any Member currently sitting on the Opposition Front Bench for this, but the real scandal of the last Labour Government is what Tony Blair did. I do not blame Mr Blair either, because he may well have believed at the time that what he was saying was true. He stood at the Dispatch Box and gave away an enormous amount of Mrs Thatcher's rebate, which has led to an enormous increase in the amount we are having to contribute to the EU budget. He believed that would not happen because there would be major reform of the common agricultural policy. That has not happened, but I give him the benefit of the doubt on that. The Labour Front-Bench team may well support Mr Blair's original position, so will the Labour Opposition and the splendid ministerial team we have combine and go to Europe and say to them, "Because you haven't kept your part of the bargain in reforming the CAP, we will only pay the amount of money we were paying under the previous Government"? The sum in question is £19 billion over a five-year period. That is an enormous amount of money to join a club that does nothing for this country. But if we kept to that £19 billion, we would free up more than £21 billion during this Conservative coalition Government.

Many hon. Members have talked about growth, but nobody has really suggested how it could be achieved. I suggest that the £21 billion of extra money that would come to the Government as a result of paying only the amount that we were paying previously could be used either for tax cuts, which would be my preference, or for infrastructure plans, as the hon. Members for Luton North (Kelvin Hopkins) and for Carmarthen East and Dinefwr (Jonathan Edwards) were suggesting. Alternatively, some of the money could go on tax cuts and some could go on infrastructure. That would not cost the taxpayer a penny, because all we would be saying to Europe would be, "We are paying just the £19 billion over five years as the ridiculous amount of money for our subscription to the European Union." So instead of paying £41 billion for joining this club we would be paying £19 billion. If hon. Members think that I am being unfair to the European Union on this point, they should consider the reality of what happens. This is not just about the £7 billion or £10 billion that our "net contribution" is each year, because the EU actually takes £14 billion or £15 billion. [Hon. Members: "£18 billion."] Oh, it has gone up. The money goes to the European Commission, which then gives some of it back to be spent on its pet projects, which it thinks should be what we want in this country—we should have control of that.

Jacob Rees-Mogg: What is even worse is that the EU, when it has spent our money, then has the cheek to fine people for failing to fly the European flag. The way in which it wastes British taxpayers' money is absolutely disgraceful.

Mr Bone: Of course my hon. Friend makes eminent sense, as always.

There is something even more worrying about this situation: all these billions of pounds are going into the European Union but it cannot even get its auditors to give it a clean bill of health—the accounts are rejected year after year. We would not give money to any other organisation—in this country—that did not have audited accounts.

Mr Clappison: My hon. Friend is raising an interesting point about how much of this money, were it to be granted—I hope it is not—is likely to be spent in this country. Has it escaped his eagle eye that a substantial proportion of the money referred to in the documents before the House—€10 billion-worth—is ring-fenced for the cohesion countries, and so not a single penny of that can come to this country? I have looked at these documents and if they are approved—I hope they will not be—it appears unlikely that very much money would come to this country as a result.

Mr Bone: That point was made eloquently in the debate earlier, and I noted with interest that only two regions in this country would benefit from any of that funding. My objection is not at all to what the Government are doing in this motion—it is a fine motion and in recent months the Government have been absolutely spot on. I will not say when they started to change their position on this—*[Interruption.]* If Ministers want to know when they changed it, I shall tell them. I believe it was after that little vote on a Backbench Business Committee motion when there was some division within the Conservative party. I urge all Members to support the Government today and oppose Labour's opportunistic amendment—let us win handsomely.

Question put, That the amendment be made.

The House divided: Ayes 182, Noes 281.

Division No. 427] **[2.14 pm**

AYES

Alexander, rh Mr Douglas	Brown, Lyn
Alexander, Heidi	Brown, Mr Russell
Allen, Mr Graham	Bryant, Chris
Anderson, Mr David	Buck, Ms Karen
Ashworth, Jonathan	Burden, Richard
Austin, Ian	Campbell, Mr Alan
Bailey, Mr Adrian	Caton, Martin
Bain, Mr William	Clark, Katy
Barron, rh Mr Kevin	Clarke, rh Mr Tom
Bayley, Hugh	Coaker, Vernon
Beckett, rh Margaret	Connarty, Michael
Begg, Dame Anne	Cooper, rh Yvette
Bell, Sir Stuart	Corbyn, Jeremy
Benn, rh Hilary	Crausby, Mr David
Berger, Luciana	Creagh, Mary
Betts, Mr Clive	Creasy, Stella
Blears, rh Hazel	Cruddas, Jon
Blomfield, Paul	Cunningham, Alex
Blunkett, rh Mr David	Cunningham, Mr Jim
Bradshaw, rh Mr Ben	Curran, Margaret
Brennan, Kevin	Danczuk, Simon
Brown, rh Mr Gordon	Darling, rh Mr Alistair
	David, Mr Wayne

De Piero, Gloria
Denham, rh Mr John
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Efford, Clive
Elliott, Julie
Ellman, Mrs Louise
Farrelly, Paul
Field, rh Mr Frank
Fitzpatrick, Jim
Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Heyes, David
Hilling, Julie
Hodgson, Mrs Sharon
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Jackson, Glenda
James, Mrs Siân C.
Jarvis, Dan
Johnson, rh Alan
Johnson, Diana
Jones, Graham
Jones, Helen
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Khan, rh Sadiq
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Love, Mr Andrew
Lucas, Caroline
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meale, Sir Alan
Michael, rh Alun
Miller, Andrew
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Robertson, John
Robinson, Mr Geoffrey
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruddock, rh Dame Joan
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Spellar, rh Mr John
Stringer, Graham
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thornberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Whitehead, Dr Alan
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David
Wright, Mr Iain

Tellers for the Ayes:
Tom Blenkinsop and Chris Ruane

NOES

Aldous, Peter
Alexander, rh Danny
Amess, Mr David
Arbuthnot, rh Mr James
Bacon, Mr Richard
Baker, Steve
Baldry, Tony
Baldwin, Harriett
Barclay, Stephen
Barker, Gregory
Baron, Mr John
Barwell, Gavin
Bebb, Guto
Beith, rh Sir Alan
Bellingham, Mr Henry
Benyon, Richard
Berry, Jake
Bingham, Andrew
Binley, Mr Brian
Blackman, Bob
Blunt, Mr Crispin
Boles, Nick
Bone, Mr Peter
Bradley, Karen
Brady, Mr Graham
Brake, rh Tom
Bray, Angie
Brazier, Mr Julian
Brine, Steve
Brooke, Annette
Bruce, Fiona
Buckland, Mr Robert
Burns, Conor
Burns, rh Mr Simon
Burstow, Paul
Burt, Lorely
Byles, Dan
Cable, rh Vince
Cairns, Alun
Carmichael, rh Mr Alistair
Carmichael, Neil
Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crouch, Tracey
Davies, Glyn
Davies, Philip
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Dunne, Mr Philip
Edwards, Jonathan
Ellis, Michael
Ellison, Jane
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Farron, Tim
Featherstone, Lynne
Field, Mark
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Freer, Mike
Fuller, Richard
Gale, Sir Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
George, Andrew
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Gove, rh Michael
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Griffiths, Andrew
Gummer, Ben
Gyimah, Mr Sam
Hammond, rh Mr Philip
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Hinds, Damian
Hoban, Mr Mark
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Hosie, Stewart
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Hunter, Mark
Hurd, Mr Nick
Jackson, Mr Stewart
James, Margot
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr David
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Laing, Mrs Eleanor

Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Laws, rh Mr David
Leadsom, Andrea
Lee, Jessica
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Letwin, rh Mr Oliver
Lewis, Brandon
Lewis, Dr Julian
Liddell-Grainger, Mr Ian
Lidington, rh Mr David
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Luff, Peter
Lumley, Karen
MacNeil, Mr Angus Brendan
Main, Mrs Anne
Maude, rh Mr Francis
Maynard, Paul
McCartney, Jason
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Mordaunt, Penny
Morgan, Nicky
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Mundell, rh David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newmark, Mr Brooks
Newton, Sarah
Nokes, Caroline
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Redwood, rh Mr John
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Russell, Sir Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Sharma, Alok
Shelbrooke, Alec
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Soubry, Anna
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Streeter, Mr Gary
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swayne, rh Mr Desmond
Swire, rh Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vaizey, Mr Edward
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Charles
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Whittaker, Craig
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williams, Stephen
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wollaston, Dr Sarah
Wright, Jeremy
Yeo, Mr Tim
Young, rh Sir George

Tellers for the Noes:
Norman Lamb and Bill Wiggin

Question accordingly negatived.

Main Question put and agreed to.

Resolved,

That this House takes note of European Union Documents No. 16176/11 and Addenda 1 and 2, No. 16499/11, No. 16006/11 and Addenda 1 and 2, No. 15629/11 and Addenda 1 to 35, No. 15813/11 and Addenda 1 and 2, relating to the European Commission's draft regulations on the Connecting Europe Facility in the next Multiannual Financial Framework 2014-20; supports the Government's view that at a time of ongoing economic fragility in Europe and tight constraints on domestic public spending, the Commission's proposal for substantial increases in EU spending in this area compared with current spend is unacceptable and incompatible with the tough decisions being taken to bring deficits under control in both the UK and countries across Europe; considers that spending in this area should focus on identifying and providing genuine EU-added value, and not on spending where domestic governments and the market are better placed to act; and further supports the Government's ongoing efforts to reduce both the Commission's proposed budget for the Connecting Europe Facility and the overall level of spending in the next Multiannual Financial Framework 2014-20.

Madam Deputy Speaker (Dawn Primarolo): Order. Could those Members who are not staying for the next debate please leave the Chamber quickly and quietly?

Public Bodies

2.28 pm

The Parliamentary Secretary, Office of the Leader of the House of Commons (Mr David Heath): I beg to move,

That the following new Standing Order be made—

'(1) Subject to paragraph (2), the select committee charged with reporting on a draft order for the purposes of section 11(5) and (6) of the Public Bodies Act 2011 shall be—

(a) the select committee appointed under Standing Order No. 152 (Select committees related to Government departments) appointed to examine the expenditure, administration and policy of the Department of the Minister who has laid the draft order; or

(b) in respect of a draft order laid by a Minister in the Cabinet Office, the Select Committee on Public Administration.

(2) The Liaison Committee may report that it has designated a select committee appointed under Standing Order No. 152 (Select committees related to Government departments) or the Select Committee on Public Administration as the select committee charged with reporting on a specified draft order for the purposes of section 11(5) and (6) of the Public Bodies Act 2011 in place of the select committee to which paragraph (1) applies.'.

Let me start by apologising to you, Madam Deputy Speaker, and the House, because what remains of my voice may be barely adequate to the task this afternoon. However, I shall do my best.

The Public Bodies Act 2011 received Royal Assent shortly before Christmas. The Act represents a central part of the Government's strategy for the reform of public bodies, which will lead to a cumulative reduction in administrative spending of £2.6 billion over the spending review period. The bodies to be reformed under the Act are listed in its schedules and the detail of the reforms is to be set out in secondary legislation. The motion will enable that secondary legislation to be subject to proper scrutiny in the House, when it is in draft form, before it is approved by the House. The relevant provisions of the Act are described in the explanatory memorandum to the Act and the proposals in the motion are described in an explanatory memorandum that is available in the Vote Office. The motion has been the subject of consultation with the Liaison Committee and the Select Committee on Procedure, and I am grateful to my right hon. Friends the Members for Berwick-upon-Tweed (Sir Alan Beith) and for East Yorkshire (Mr Knight) for their contributions to the consultation and for agreeing to add their names to the motion.

The proposal relates to the specific question of which Committee should be able to examine a draft order with a view to the possible use of the extended period for scrutiny, and then making recommendations on the substantive provisions of that draft order. We propose that that role should fall to the relevant departmental Select Committee or, in the case of draft orders laid by Cabinet Office Ministers, to the Select Committee on Public Administration. In addition, we propose to give the Liaison Committee a power to designate an alternative Committee. We do not expect that to be used frequently, but it could be helpful if there were machinery of government changes in the future.

We believe that departmental Select Committees represent the right option in this case. They are most likely to have a prior knowledge of, and interest in, the subject matter of the draft orders. The Liaison Committee has agreed that the proposal in the motion

"seems sensible and complements the arrangements in the Lords".

The Liaison Committee sought a number of assurances, and it was particularly valuable to have the short delay from before Christmas until now in which to have a dialogue with the Liaison Committee. I have responded in detail, in correspondence which is available in the Vote Office and which I will place, in due course, in the Library. In particular, steps have been taken to ensure that relevant Select Committees are informed about the earlier draft orders to be laid before the House, and that discussions can take place between Departments and Select Committees about the operation of the procedure and the timetable in particular cases.

Mr James Gray (North Wiltshire) (Con): Although I strongly endorse and very much agree with what the hon. Gentleman is saying about Select Committees examining these orders, does he not agree that Select Committees are already heavily overburdened, given the amount of work that they are doing? I wonder when he thinks we shall find time to look into the orders in the way that he describes.

Mr Heath: Obviously, that was one consideration. Against that should be set the question of who is best placed to know the operations of bodies within the remit of an individual Select Committee, and what the Department's objectives are in bringing forward an order. It would be very difficult for any other body in the House to have the same level of expertise. In the initial stages it is a matter of determining whether further scrutiny is required. That is the trigger that we are asking the Select Committees to pull, and they are very well positioned to do so. There is also a finite number of bodies for any one Select Committee in the Public Bodies Act 2011. It is not an open-ended Act, as I know full well, having assisted with the Bill's Committee and Report stages. There is therefore a reasonable expectation that the task will not be too onerous for Select Committees. I certainly discussed that consideration with the Liaison Committee and others, and we felt that at the end of the day no other body was as well suited as the departmental Select Committee.

Andrea Leadsom (South Northamptonshire) (Con): What procedure, if any, might a Back Bencher be able to use to propose further scrutiny by a Select Committee over and above what it is tasked with doing? For example, if we wanted the Treasury Committee to scrutinise some of the EU financial services legislation that passes through the House, which is normally, rightly, in the hands of the European Scrutiny Committee, would there be a way in which one could put that forward?

Mr Heath: That takes me away a little from the matter of orders relating to the Public Bodies Act, but it is always open for Select Committees to consider their work programmes and to put forward proposals, and it is equally open to hon. Members to make suggestions to Select Committees. Part of the Liaison Committee's role is to try to prevent any undue overlapping of work among Committees and, where there is a potential trespass, to police it, adjudicate and find a successful way forward. There is probably no obstacle to my hon. Friend's suggesting that the Committee look at something,

but equally the Officers, Clerks and Chair of that Committee have a responsibility to ensure that they do not inappropriately usurp the work of another Committee.

Mr Greg Knight (East Yorkshire) (Con): I commiserate with my hon. Friend, who sounds like a cross between Barry White and Louis Armstrong. Is he aware that the Procedure Committee has looked at this matter and is satisfied with what he proposes? Despite the concerns of my hon. Friend the Member for North Wiltshire (Mr Gray), who is a valued Committee member, I do not think that the proposal will place too great an additional burden on Select Committees. It is right and proper that the Select Committees undertake such scrutiny.

Mr Heath: I am extremely grateful to my right hon. Friend for supporting the view I have expressed. I think that only the departmental Select Committees could do the job appropriately.

Joan Walley (Stoke-on-Trent North) (Lab): Will the Deputy Leader of the House say a little more about how he proposes to deal with cross-cutting Select Committees, particularly the Environmental Audit Committee, which does not follow one Department but has an obvious interest in some cross-cutting issues and the need for the Government to join up policy?

Mr Heath: I understand the hon. Lady's point, but let us remember that the proposal is for a trigger mechanism to enable the House to consider matters further; it is not an end in itself. The process as set out in the 2011 Act enables the House to say, "Hang on. We want a little longer to be able to discuss this matter", or for the Minister to put forward proposals in a debate, normally on the Floor of the House if that is requested. Therefore, if one of the cross-cutting Committees has an interest, I am sure that it would rapidly communicate it to the relevant Departmental Select Committee, and that in itself might pull the trigger. I do not think that there is a difficulty. This is not an exclusionary procedure, but simply one suggesting that someone can say, "Stop. We want this extra time so that the House can consider this on its merits", and the decision will probably be that the departmental Select Committee is best placed to do that.

Mr Mark Williams (Ceredigion) (LD): I very much welcome what my hon. Friend is putting forward. May I ask him about joint working by Select Committees? As he knows from the passage of the 2011 Act, I have an interest in the position of S4C. There have been times in the work we have undertaken on S4C when there has been joint working between the Department for Culture, Media and Sport and the Welsh Affairs Committee. Does he envisage such joint working continuing under this approach?

Mr Heath: I was beginning to think that we would have a short debate relating to the Act without any mention of Sianel Pedwar Cymru, so I am grateful to my hon. Friend for rectifying that omission. I reiterate that I do not think that the proposed procedure creates any obstacle to a Select Committee going about its work in the way it feels is appropriate. This is a trigger mechanism for the House. Where more than one Committee feels that they might have a role, the Liaison Committee would be able to help and ensure that there were no hurt feelings. The case of S4C might be an obvious example of where two departmental Select Committees have a legitimate interest and, I am sure, would want to express a view at some point in the procedure.

Miss Anne McIntosh (Thirsk and Malton) (Con): I hope to make a speech later, but, on the discussions between Departments and Select Committees, what procedures will be followed when a Department is not keen to give the most desirable outcome of 30 days' advance notice in all cases?

Mr Heath: It is clear, from the exchanges that we have already had with the Procedure and Liaison Committees, that we expect Departments to provide that level of notice, and they will normally do so, but there is an exceptional position in the very first instance. We have some bodies on which consultations took place prior to Royal Assent, as was allowed under the legislation, and a dialogue between the Department and the Select Committee might be necessary to ensure that we achieve an acceptable result.

I know that the hon. Lady, on behalf of the Committee that she chairs, has been having such a dialogue with the Department that her Committee shadows, and I am more than happy to assist in any way that I can to ensure that we have a satisfactory outcome. I have given that assurance in correspondence with the Chair of the Liaison Committee, and I am very happy to repeat it today. The guidance to Departments will be very clear about what is expected of them in the execution of their duties under that part of the 2011 Act, and on that basis I hope my assurance is helpful to the hon. Lady. This is a new procedure, and we need to watch all new procedures very carefully to ensure that they achieve the results that the House expects of them.

In conclusion, I assure the House that I will monitor the procedure's operation carefully to ensure that the concerns of Committees about matters on which they have sought assurances are fully responded to. I have reiterated today that the Government are very happy for the operation of the new arrangements to be reviewed about a year after they come into operation. This is an opportunity to enhance the House's scrutiny of secondary legislation, and on that basis Members should welcome it. I commend the motion to the House.

2.42 pm

Angela Smith (Penistone and Stocksbridge) (Lab): The motion lays down the process for the Select Committee scrutiny that will be required when the powers enabled by the Public Bodies Act 2011 are exercised—legislation that we opposed, as the House knows, on its Third Reading in October.

At that time, my hon. Friend the Member for Hemsworth (Jon Trickett) made it clear that we agree that the "quango state", as he put it, should be kept under review, and that the Opposition do not oppose the removal of quangos that have served their purpose. He went on, however, to say that

"Ministers have been fair-minded"—

and it is important to put that on the record once again—

[Angela Smith]

"but the truth is that this whole process has been ramshackle. Giving Ministers the power to strike down organisations without there being proper parliamentary scrutiny is the worst kind of government; that simply does not meet the high standards this House should expect."—[*Official Report*, 25 October 2011; Vol. 534, c. 277.]

First, and most fundamentally, therefore, the motion before us is based on deeply flawed legislation, as this Government demonstrated with the forced reversal of their decision on the chief coroner.

Secondly, the motion touches on only one aspect of the scrutiny required of draft orders, but the issues involved are wide-ranging—a point that the Chair of the Liaison Committee, the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith), made in his letter to the Deputy Leader of the House in December. He went on in that letter to seek assurances on a wide range of issues. The Deputy Leader of the House initially responded to the concerns raised in December, only a day before this motion was originally scheduled for debate on the Floor of the House. One can only wonder why that business was cancelled at such short notice. Needless to say, a further letter in response to the representations of the Chair of the Liaison Committee was provided on 13 January.

The right hon. Member for Berwick-upon-Tweed had raised in correspondence the need for an assurance that the Government would not seek to overturn a Select Committee's recommendation for an extension of the time required to report back on a draft order. The Deputy Leader of the House stated in his initial response that it was "very unlikely" that such a request would be turned down, but made it clear that if the Government disagreed with a request for more time, they would expect the House to acquiesce. I suggest that that was a rather dismissive approach to the right of this House to ensure that adequate time is available for Select Committee scrutiny of such important proposals. In his further letter, the Deputy Leader of the House gave a "personal assurance" that he would make representations to ministerial colleagues, as appropriate, to seek their co-operation. That is not exactly a robust mechanism for guaranteeing that the time judged necessary by a Select Committee for the scrutiny of draft orders is available.

The Deputy Leader of the House also refused in his first response to the right hon. Member for Berwick-upon-Tweed to guarantee that the Government would accede to a Select Committee's request for the debate on a draft order to take place on the Floor of the House, rather than in a Delegated Legislation Committee. In his further response, however, he stated that

"the recommendation of a select committee as to the appropriate forum for debate should be viewed as a representation of especial importance for the reasons you set out."

It will be noted that, even now, there is no firm assurance on that point, only warm words that allow the Government to defy the views of any Select Committee on this point if they so wish.

The responses of the Deputy Leader of the House have deepened the conviction of Opposition Members that the Government are intent on using their powers to force through proposals to abolish quangos without adequate scrutiny by this House. In particular, the refusal to give firm assurances that debates on orders will take place on the Floor of the House when the relevant Select Committee recommends it is shocking and only goes to show that we have a Government intent on getting their own way, regardless of the democratic rights of Members of this House.

The route of this legislation through Parliament was unsatisfactory and the proposals before us only provide further evidence of how inadequate the safeguards are as against the extent of the powers that are being given to the Executive. As I said earlier, this procedure allows for the reversal of primary legislation. It effectively means that bodies such as the Agricultural Wages Board could be abolished on the back of a debate in a Delegated Legislation Committee. That would potentially mean the loss of £90 million to the rural high street. Given that the impact of these powers could be felt by thousands of people who may lose their jobs as a consequence, it is utterly unacceptable to Opposition Members that such decisions be made in this way.

We fear that the powers made available to the House to scrutinise the decisions made by the Government under the Public Bodies Act 2011 are inadequate. With the will of the House, we will seek to press the motion to a Division.

2.49 pm

Miss Anne McIntosh (Thirsk and Malton) (Con): I welcome this little debate and the measured approach of the Deputy Leader of the House. I know that he is aware of the interest in this matter of the Environment, Food and Rural Affairs Committee, which I have the honour to chair. We are enthusiastic about the possibility of scrutinising such draft orders.

I understand that their lordships had sight of the proposals at an earlier stage, and therefore more time to consider them. I know that my right hon. Friend the Member for Berwick-upon-Tweed (Sir Alan Beith), the Chairman of the Liaison Committee, brought that to the attention of the Deputy Leader of the House.

I should like to raise a couple of substantive points, if I may. The Deputy Leader of the House adequately addressed my concern, and that of my Select Committee, about the procedures to be followed when a Department and a Secretary of State fall short of making any formal commitment to meet the desired time frame. I would welcome guidance from him about what is the appropriate forum for scrutiny and who will take the decision to have such scrutiny.

The Environment, Food and Rural Affairs Committee was informed by the Secretary of State—I suppose one would say formally—on 15 January that three orders would be laid before the House in February. I understand that the Committee's role will be to indicate its desire and intention to scrutinise an order within 30 days. We would like confirmation that when a public body falls within the work of a departmental Committee, it will be for that Committee to scrutinise an order rather than a Delegated Legislation Committee.

I will take a specific example, which is the transfer of functions of British Waterways to the new Canal and River Trust. I do not want to pre-empt in any way what conclusion and considered view the Environment, Food

and Rural Affairs Committee might reach on that having taken advice and evidence from witnesses, but what would happen if the Committee felt that it was a matter of such importance that we wished it to be debated on the Floor of the House? Will the Deputy Leader of the House be good enough to indicate whether that would be possible? Would a Committee be empowered to make such a recommendation, and who would take it forward?

The Deputy Leader of the House referred to the savings to be made. I am sure that the estimate of £2.6 billion is a conservative one, and I would hazard a guess that most of those savings will come through the disappearance of arm's length bodies, including those accountable to DEFRA. However, we thought that the Commission for Rural Communities was going to disappear, but many of its officials have been absorbed into a unit of the Department and the CRC still exists. What scrutiny can a departmental Select Committee such as the Environment, Food and Rural Affairs Committee carry out of that aspect of the matter?

As the hon. Member for Penistone and Stocksbridge (Angela Smith) indicated, the draft orders give Departments a huge power to disband a particular arm's length public body once and for all time. I know that many arguments were made in the other place in favour of public bodies remaining, and some of those bodies are now not to be removed. It was a pity that we did not have a chance to have such a debate in this House.

Within one month, the Committee will be asked to look at two other draft orders: one to abolish the Inland Waterways Advisory Council and one on the Advisory Committee on Hazardous Substances. My hon. Friend the Member for North Wiltshire (Mr Gray) raised the work load of departmental Select Committees. I pay tribute to those with whom I have the honour to serve on the Environment, Food and Rural Affairs Committee, and I am delighted that we will welcome two new Opposition Members to it this coming week, but considering three such significant draft orders in one month is a tall order, as I hope the Deputy Leader of the House agrees.

The Deputy Leader of the House might confirm that most of the draft orders under the secondary legislation, which gives immense powers to one Department, is trundling along at a time when the Environment, Food and Rural Affairs Committee is doing significant work on the natural environment White Paper and expecting a draft Bill on water—yesterday the Prime Minister confirmed that we can expect comprehensive legislation on water in the new parliamentary Session. We are also taking evidence on common agricultural policy reforms and reaching our conclusions on common fisheries policy reform. Those two reports are significant—we are asked to look at those matters once every 10 years—and I am delighted to say the Committee has taken them very seriously and responsibly.

We will hopefully be able discharge our duties on draft orders under the new powers, but—I am seeking guidance from the Deputy Leader of the House—if we are given only one month to lay the order and 60 days to look at it, we will come under enormous pressure to meet our duties, which I am sure colleagues on the Committee would wish to do.

I think I have raised all the issues and the Deputy Leader of the House and Mr Speaker are aware of our concerns. I am delighted that the motion has attracted cross-party support, and I hope the Committee can have significant leeway in the timetable accorded to it to enable us to undertake our proper function of holding the Department to account on the draft orders.

2.57 pm

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): I am pleased to participate in this debate on the scrutiny of draft orders on public bodies, having spoken on Second Reading of the Public Bodies Act 2011. I was unfortunately unable to make as significant a contribution as I had wished to the progression of the Act because amendments that I tabled on Report were not selected, and because amendments in the name of my hon. Friend the Member for Arfon (Hywel Williams) that were selected were not reached before the guillotine.

Our purpose today is to discuss the scrutiny of draft orders on public bodies listed in schedules 1 to 5 to the 2011 Act in accordance with sections 11(5) and (6). The intention of introducing such scrutiny is that Select Committees will be charged with making recommendations and reporting on draft orders. That appears to have been agreed in correspondence between the right hon. Member for Berwick-upon-Tweed (Sir Alan Beith), in his position as Chair of the Liaison Committee, and the Deputy Leader of the House, who was responsible for the progression of the Act.

The argument is that those public bodies are under the control of specific Departments, and that the Select Committees that scrutinise those Departments contain experts on their operation, and should be tasked with the examination of the proposals. That appears to be a sensible course.

The subsequent suggestion is that members of the Select Committee charged with reporting on the draft proposals will be included in any Delegated Legislation Committee convened to consider them. Again, ensuring a level of expertise appears to be a sensible course, but I would like to raise the issue of territoriality. Inside a single unitary state in which there is a single point of responsibility and accountability, the proposed mechanisms would make a great deal of sense, but I contend, and I am sure the hon. Member for Ceredigion (Mr Williams) would agree, that the practical elements of devolution mean that we must also consider alternative options when we deal with the potential impact of such draft orders. I welcome the opening remarks of the Deputy Leader of the House—he said that he has an open mind on that.

For example, the National Consumer Council, which is also known as Consumer Focus, is included in schedule 1 of the Act. As hon. Members might be aware, the Welsh Affairs Committee, of which I am a proud member—as is the hon. Member for Ceredigion—published a report as recently as last week on its inquiry into the representation of consumer interests in Wales. I have no problem whatever with the UK Government's aims in giving enhanced roles to the citizens advice service following the scrapping of the National Consumer Council, and there are many clear, tangible benefits to combining advice and advocacy functions. However, I am concerned that the level of consumer advocacy functions currently provided to the people of Wales will be lost.

As I said, this is a territorial argument, which is based on the fact that devolution means that we do not have a single jurisdiction, but several. As a Welsh nationalist, I

[Jonathan Edwards]

believe it should be for the Welsh Government, rather than the UK Government, to determine what consumer advice and advocacy structures they want, particularly if the current structures are to be abolished. The lack of consideration we have witnessed from UK Ministers regarding the Act's impact on Wales further strengthens my convictions.

It is interesting that the UK Government's preferred structure does not impact on Scotland and Northern Ireland, which have separate citizens advice bodies because responsibility for such functions is devolved for our Celtic cousins. The fact that we in Wales find ourselves in our current position as a result of the Act is a further reminder of the hotch-potch nature of the devolution settlement across the British state and of the dangers that Wales confronts when faced with an inferior settlement. That is why scrutiny of any changes proposed in the draft orders is so important.

Given the reality of a distinct Welsh political agenda, Citizens Advice Cymru has, remarkably, punched above its weight over the years, but it is a fact that Citizens Advice as a whole regards the Welsh context as an afterthought. That is hardly surprising, considering that the key policy levers remain reserved down here in Westminster.

Consumer Focus Wales, on the other hand, has a tremendous research capacity, with some incredibly gifted staff, but it is nearly wholly dependent on other bodies and on commissioned research for the evidence on which it bases its reports. Consumer Focus Wales is very much an equal partner, and it has a more federal approach to England and Wales relations.

There are many benefits, therefore, to empowering Citizens Advice with the functions of Consumer Focus Wales, if all Consumer Focus Wales functions and resources are transferred to Citizens Advice Cymru. Indeed, on Second Reading of the Act, I impressed on Ministers the fact that there was strong support in Wales for advice and advocacy functions to be brought within one body, and I hope that that will be reflected in the draft orders, when they are brought forward for scrutiny.

With the devolution of large areas of consumer policy already having taken place, and the likelihood of more in the years to come, the natural conclusion would be an independent Citizens Advice Cymru, but who will make that argument or question it in scrutiny of the UK Government's proposals? That is the point I am trying to make.

Proposals for the National Consumer Council's abolition will go to the Select Committee on Business, Innovation and Skills, on which there is not a single Welsh MP. The same is true in the case of S4C, whose management organisation will be changed as a result of being included in schedule 3 to the Act. Following agreements between the BBC and S4C, those changes are expected to be agreed.

Mr Mark Williams: Does that not point to the issue I raised with my hon. Friend the Deputy Leader of the House about joint scrutiny and joint working between Committees? The hon. Gentleman has made a compelling case regarding the independence of advocacy services in Wales—the kind of case some of us, as he rightly said, would have liked to make in the Public Bodies Bill Committee had we had more time. There would, however, be an opportunity for those of us on the Welsh Affairs Committee, working with the Business, Innovation and Skills Committee, to make such points. Surely that is the way forward.

Jonathan Edwards: I thank the hon. Gentleman for that constructive intervention, and I fully agree. I will go on to make the same point. I often find myself in complete agreement with him, and I remind him that there is plenty of room on these Benches if he wants to cross the Floor.

There remains a real need for scrutiny. Like the Business, Innovation and Skills Committee, the Select Committee on Culture, Media and Sport does not feature a single Member representing a seat in Wales. Given the importance of S4C to Wales, which members of the Public Bodies Bill Committee will know of, there really must be more scrutiny in this place than just that provided by a Public Bill Committee.

In the Public Bodies Bill Committee, the Minister agreed that S4C governance changes

"will be subject to consultation with absolutely everybody who has a legitimate interest in it, and I am happy to reiterate that that will include the Welsh Government."—[*Official Report, Public Bodies Public Bill Committee*, 15 September 2011; c. 195.]

I welcome that commitment. I do not wish to go through the whole list of public bodies and make suggestions—*[Interruption.]* I know that hon. Members want to make the journey back to their constituencies. I am not going to suggest how all these matters might be perceived differently through the prism of devolution, but what, for example, would happen to the excess land of BRB (Residuary) Ltd? Should that be at the disposal of the Welsh Transport Minister?

Although I fully understand the reasons behind the proposed means of scrutinising draft orders, I request that issues of territoriality and devolution be taken into consideration. I do not pretend to have the solution and neither do I wish to encumber ourselves with more work, but perhaps a settlement could be found in which Select Committees scrutinise draft orders if they are considered relevant to their work, and subsequently, perhaps, their members could be made members of any Delegated Legislation Committees. I can certainly imagine that members of the Welsh Affairs Committee would show a particular interest in the case of S4C and Consumer Focus Wales.

3.5 pm

Mr Heath: With the leave of the House, I should like to thank Members for that short debate.

I shall deal with the points made in reverse order, and turn first to the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards). He will be aware that the Committee discussed the Welsh aspects of these bodies an awful lot—I remember detailed discussions of the merits, or otherwise, of Pobol y Cwm and so on. I absolutely understand the locus that regionality has in some of the bodies. The suggestion is that the departmental Select Committees have that trigger—I think that he understands that—but he made a perfectly valid point:

where there is a strong territorial element in the body in question, the trigger should be exercised in the knowledge of the effect it would have in an area.

I would expect the Welsh Affairs Committee to play a part in matters relating directly to Wales and to make early representations to the relevant Select Committee, encouraging it to pull the trigger for the 60-day process. Once that process was in place and the scrutiny period under way, however, I would expect the Committee to produce a short report, particularly on matters relating to Sianel Pedwar Cymru but also on other things in which it has an interest. The report would be treated as a representation under section 11(6)(a) of the Public Bodies Act, and the Minister would have to have regard to it.

I think I can assure the hon. Gentleman, therefore, that the Welsh Affairs Committee would have a direct locus in intervening to make the House aware of its concerns. Although the Public Bodies Act stipulates that there may be a delegated powers Committee, we have made it abundantly clear that if a request was made for the matter to be dealt with on the Floor of the House it would normally be acceded to. In that case, all Members with an interest would have an opportunity to participate and make their views known before the House finally reached a decision. I hope that that goes some way to assuaging his concerns and those of my hon. Friend the Member for Ceredigion (Mr Williams), who is an utterly reasonable chap. I am not surprised that the hon. Gentleman agrees with him so often.

The hon. Member for Thirsk and Malton (Miss McIntosh) expressed a number of concerns on behalf of her Committee, the Environment, Food and Rural Affairs Committee, which, again, I well understand. It so happens that her Committee has an early rush, as it were, on the provisions in the legislation, because the Department for Environment, Food and Rural Affairs plans to make early proposals, as she said, on British Waterways, the Inland Waterways Advisory Council and the Advisory Committee on Hazardous Substances.

Let me say first that, yes, if the House accepts this Standing Order today, the hon. Lady's Committee will be the relevant Committee. Therefore, she has that trigger in her hands—or the hands of her Committee—for extended scrutiny. I understand that that will involve a reasonable work load for her Committee. I sympathise with her about that, but I believe it is better for her Committee to do that work rather than somebody else, elsewhere in the House, who knows nothing about the subject. There is no limitation on what Committees can scrutinise in their role as departmental Select Committees. That extends not just to bodies that are listed in schedules, but to those where there are no changes. If there are no changes, she will not be acting under this procedure, but her Committee will still have the capacity to consider the matter.

I understand the hon. Lady's point about the House of Lords having its arrangements in place earlier than the House of Commons. I would have liked to introduce things earlier, but it was important to have the conversation and dialogue with the Select Committees of this House, through the Liaison Committee and the Procedure Committee, to ensure that we got it right. This House has a much more complex Committee structure than the Lords—we have departmental Committees—so a slight asymmetry in the way we did that was inevitable. However, I hope that I can persuade her that what we are doing in this case is probably the best way forward.

As far as the hon. Member for Penistone and Stockbridge (Angela Smith) is concerned—

Angela Smith: Stocksbridge.

Mr Heath: Is that not what I said? I do apologise: Stocksbridge. Speaking as someone whose constituency name is almost always mispronounced, I have the greatest sympathy if the hon. Lady has the same problem.

I was disappointed by what the hon. Lady said. She seems to be taking up the concerns of the Liaison Committee, even though I have satisfied the Liaison Committee. The fact that it is content with my proposals is not good enough for her. She still thinks that the Liaison Committee ought to be more upset than it is. Well it is not: the Liaison Committee is satisfied with our proposals. She adduced the "mystery" of why the matter was not put before the House in December, but I made it perfectly plain that the reason was a problem with the motion, which was down to an administrative error. However, given that we could not propose the motion on that day, I aimed to derive what I hoped would be some benefit from the delay by saying that it gave us more time to explore and satisfy the concerns of the Liaison Committee and the Procedure Committee, and that is exactly what we did.

I have given clear indications about the procedures that we will adopt to ensure that Committees are not disadvantaged, but have the opportunity to make their cases properly. However, at the end of the day, I cannot go against the legislation. I cannot rip up legislation that this House and the other House passed so recently and say, "Right, we'll now have a completely different procedure." However, I can work within the legislation to maximise scrutiny by the Committees of this House and the wider House and ensure that every Member has the opportunity to have their say. I believe that that is what we have put before the House today, after consultation with the Committees, and I urge the House to support the motion.

Question put.

The House divided: Ayes 257, Noes 176.

Division No. 428] **[3.13 pm**

AYES

Aldous, Peter	Boles, Nick
Arbuthnot, rh Mr James	Bone, Mr Peter
Bacon, Mr Richard	Bradley, Karen
Baker, Steve	Brady, Mr Graham
Baldry, Tony	Brake, rh Tom
Baldwin, Harriett	Bray, Angie
Barclay, Stephen	Brine, Steve
Barker, Gregory	Brooke, Annette
Baron, Mr John	Bruce, Fiona
Barwell, Gavin	Buckland, Mr Robert
Beith, rh Sir Alan	Burns, Conor
Bellingham, Mr Henry	Burns, rh Mr Simon
Benyon, Richard	Burstow, Paul
Berry, Jake	Burt, Lorely
Bingham, Andrew	Byles, Dan
Binley, Mr Brian	Campbell, rh Sir Menzies
Blackman, Bob	Carmichael, rh Mr Alistair
Blunt, Mr Crispin	Carmichael, Neil

Carswell, Mr Douglas
Cash, Mr William
Chishti, Rehman
Chope, Mr Christopher
Clappison, Mr James
Clark, rh Greg
Clarke, rh Mr Kenneth
Clifton-Brown, Geoffrey
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Cox, Mr Geoffrey
Crabb, Stephen
Crouch, Tracey
Davies, Glyn
Davies, Philip
Davis, rh Mr David
de Bois, Nick
Dinenage, Caroline
Djanogly, Mr Jonathan
Dorries, Nadine
Doyle-Price, Jackie
Duddridge, James
Duncan, rh Mr Alan
Dunne, Mr Philip
Ellis, Michael
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Eustice, George
Evans, Graham
Evans, Jonathan
Evennett, Mr David
Fabricant, Michael
Fallon, Michael
Featherstone, Lynne
Foster, rh Mr Don
Fox, rh Dr Liam
Francois, rh Mr Mark
Fuller, Richard
Gale, Sir Roger
Garnier, Mr Edward
Garnier, Mark
Gauke, Mr David
Gilbert, Stephen
Gillan, rh Mrs Cheryl
Glen, John
Goldsmith, Zac
Goodwill, Mr Robert
Graham, Richard
Grant, Mrs Helen
Gray, Mr James
Grayling, rh Chris
Green, Damian
Greening, rh Justine
Griffiths, Andrew
Gyimah, Mr Sam
Hammond, Stephen
Hancock, Matthew
Hancock, Mr Mike
Hands, Greg
Harper, Mr Mark
Harrington, Richard
Harris, Rebecca
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Heaton-Harris, Chris
Hemming, John
Henderson, Gordon
Hendry, Charles
Herbert, rh Nick
Hinds, Damian
Hollobone, Mr Philip
Hopkins, Kris
Horwood, Martin
Howarth, Mr Gerald
Howell, John
Hughes, rh Simon
Hunter, Mark
Hurd, Mr Nick
Jackson, Mr Stewart
Javid, Sajid
Jenkin, Mr Bernard
Johnson, Gareth
Johnson, Joseph
Jones, Andrew
Jones, Mr Marcus
Kawczynski, Daniel
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Kwarteng, Kwasi
Laing, Mrs Eleanor
Lamb, Norman
Lancaster, Mark
Lansley, rh Mr Andrew
Latham, Pauline
Leadsom, Andrea
Lee, Dr Phillip
Lefroy, Jeremy
Leigh, Mr Edward
Leslie, Charlotte
Lewis, Brandon
Lilley, rh Mr Peter
Lloyd, Stephen
Lopresti, Jack
Lord, Jonathan
Luff, Peter
Lumley, Karen
Macleod, Mary
Maude, rh Mr Francis
May, rh Mrs Theresa
Maynard, Paul
McIntosh, Miss Anne
McLoughlin, rh Mr Patrick
McVey, Esther
Menzies, Mark
Mercer, Patrick
Metcalfe, Stephen
Miller, Maria
Mills, Nigel
Milton, Anne
Mordaunt, Penny
Morgan, Nicky
Morris, David
Morris, James
Mosley, Stephen
Mowat, David
Munt, Tessa
Murray, Sheryll
Murrison, Dr Andrew
Newton, Sarah
Nokes, Caroline
Nuttall, Mr David
Offord, Mr Matthew
Ollerenshaw, Eric
Ottaway, Richard
Paice, rh Mr James
Parish, Neil
Patel, Priti
Penning, Mike
Penrose, John
Percy, Andrew
Perry, Claire
Phillips, Stephen
Pincher, Christopher
Poulter, Dr Daniel
Prisk, Mr Mark
Pritchard, Mark
Pugh, John
Raab, Mr Dominic
Randall, rh Mr John
Reckless, Mark
Rees-Mogg, Jacob
Reid, Mr Alan
Rifkind, rh Sir Malcolm
Robathan, rh Mr Andrew
Robertson, Hugh
Robertson, Mr Laurence
Rogerson, Dan
Rosindell, Andrew
Rudd, Amber
Ruffley, Mr David
Russell, Sir Bob
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Scott, Mr Lee
Selous, Andrew
Sharma, Alok
Shelbrooke, Alec
Skidmore, Chris
Smith, Miss Chloe
Smith, Henry
Smith, Julian
Smith, Sir Robert
Spelman, rh Mrs Caroline
Spencer, Mr Mark
Stephenson, Andrew
Stevenson, John
Stewart, Bob
Stewart, Iain
Stewart, Rory
Stride, Mel
Stunell, Andrew
Sturdy, Julian
Swayne, rh Mr Desmond
Swire, rh Mr Hugo
Syms, Mr Robert
Teather, Sarah
Thurso, John
Timpson, Mr Edward
Tomlinson, Justin
Tredinnick, David
Truss, Elizabeth
Turner, Mr Andrew
Tyrie, Mr Andrew
Uppal, Paul
Vara, Mr Shailesh
Vickers, Martin
Villiers, rh Mrs Theresa
Walker, Mr Robin
Wallace, Mr Ben
Walter, Mr Robert
Watkinson, Angela
Weatherley, Mike
Webb, Steve
Wharton, James
Wheeler, Heather
White, Chris
Whittingdale, Mr John
Willetts, rh Mr David
Williams, Mr Mark
Williams, Roger
Williamson, Gavin
Willott, Jenny
Wilson, Mr Rob
Wright, Jeremy
Yeo, Mr Tim
Young, rh Sir George

Tellers for the Ayes:
Bill Wiggin and
Mr Brooks Newmark

NOES

Alexander, rh Mr Douglas
Alexander, Heidi
Ali, Rushanara
Austin, Ian
Bailey, Mr Adrian
Bain, Mr William
Balls, rh Ed
Barron, rh Mr Kevin
Bayley, Hugh
Beckett, rh Margaret
Begg, Dame Anne
Benn, rh Hilary
Benton, Mr Joe
Berger, Luciana
Betts, Mr Clive
Blears, rh Hazel
Blenkinsop, Tom
Blomfield, Paul
Blunkett, rh Mr David
Bradshaw, rh Mr Ben
Brennan, Kevin
Brown, rh Mr Gordon
Brown, Lyn
Brown, rh Mr Nicholas
Buck, Ms Karen
Burden, Richard
Campbell, Mr Alan
Caton, Martin
Clark, Katy
Clarke, rh Mr Tom
Coaker, Vernon
Coffey, Ann
Cooper, rh Yvette
Corbyn, Jeremy
Crausby, Mr David
Creagh, Mary
Creasy, Stella
Cruddas, Jon
Cunningham, Mr Jim
Danczuk, Simon
David, Mr Wayne
De Piero, Gloria
Dobbin, Jim
Dobson, rh Frank
Docherty, Thomas
Dowd, Jim
Doyle, Gemma
Dromey, Jack
Dugher, Michael
Eagle, Ms Angela
Edwards, Jonathan
Efford, Clive
Elliott, Julie
Elman, Mrs Louise
Farrelly, Paul
Fitzpatrick, Jim

Flello, Robert
Flint, rh Caroline
Flynn, Paul
Fovargue, Yvonne
Gapes, Mike
Gardiner, Barry
Gilmore, Sheila
Glass, Pat
Glindon, Mrs Mary
Godsiff, Mr Roger
Goggins, rh Paul
Goodman, Helen
Greatrex, Tom
Green, Kate
Greenwood, Lilian
Griffith, Nia
Hamilton, Mr David
Hamilton, Fabian
Hanson, rh Mr David
Harman, rh Ms Harriet
Harris, Mr Tom
Havard, Mr Dai
Heyes, David
Hillier, Meg
Hilling, Julie
Hodge, rh Margaret
Hodgson, Mrs Sharon
Hood, Mr Jim
Hopkins, Kelvin
Howarth, rh Mr George
Hunt, Tristram
Jackson, Glenda
James, Mrs Siân C.
Jarvis, Dan
Johnson, Diana
Jones, Graham
Jones, Mr Kevan
Jones, Susan Elan
Jowell, rh Tessa
Joyce, Eric
Kaufman, rh Sir Gerald
Khan, rh Sadiq
Lammy, rh Mr David
Lavery, Ian
Lazarowicz, Mark
Leslie, Chris
Lewis, Mr Ivan
Lloyd, Tony
Love, Mr Andrew
Lucas, Ian
Mactaggart, Fiona
Mahmood, Shabana
Mann, John
McCabe, Steve
McCann, Mr Michael
McCarthy, Kerry
McClymont, Gregg
McDonagh, Siobhain
McFadden, rh Mr Pat
McGuire, rh Mrs Anne
McKechin, Ann
McKenzie, Mr Iain
McKinnell, Catherine
Meale, Sir Alan
Michael, rh Alun
Miller, Andrew
Morrice, Graeme *(Livingston)*
Morris, Grahame M. *(Easington)*
Munn, Meg
Murphy, rh Mr Jim
Murphy, rh Paul
Murray, Ian
Nandy, Lisa
Nash, Pamela
O'Donnell, Fiona
Onwurah, Chi
Osborne, Sandra
Owen, Albert
Perkins, Toby
Pound, Stephen
Qureshi, Yasmin
Raynsford, rh Mr Nick
Reed, Mr Jamie
Reynolds, Emma
Reynolds, Jonathan
Riordan, Mrs Linda
Rotheram, Steve
Roy, Mr Frank
Roy, Lindsay
Ruddock, rh Dame Joan
Sharma, Mr Virendra
Sheridan, Jim
Shuker, Gavin
Skinner, Mr Dennis
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Angela
Smith, Nick
Spellar, rh Mr John
Stringer, Graham
Sutcliffe, Mr Gerry
Tami, Mark
Thomas, Mr Gareth
Thomberry, Emily
Timms, rh Stephen
Trickett, Jon
Turner, Karl
Twigg, Derek
Twigg, Stephen
Umunna, Mr Chuka
Vaz, rh Keith
Vaz, Valerie
Walley, Joan
Watson, Mr Tom
Whitehead, Dr Alan
Wilson, Phil
Winnick, Mr David
Winterton, rh Ms Rosie
Woodcock, John
Wright, David

Tellers for the Noes:
Jonathan Ashworth and Chris Ruane

Question accordingly agreed to.

National Policy Statement for Ports

[Relevant documents: The Fifth Report from the Transport Committee, Session 2009-10, on the proposal for a National Policy Statement on Ports, HC 217, and the Government's response thereto.]

Debate resumed.

Question (29 November) again proposed,

That this House takes note of and approves the National Policy Statement for Ports, which was laid before this House on 24 October 2011.

3.28 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): I am pleased to be able to contribute briefly to the final part of a debate on which the House embarked back in November. There could be no better port with which to end it than the port of Felixstowe, which is in my constituency.

I support the Government's market-based approach to ports, but I want them to receive one message loud and clear, namely that ports should be treated consistently and allowed a level playing field. I believe that the Minister supports that view. Liverpool recently secured £30 million of regional growth funds for help with dredging. I do not resent the recognition that my home city, where I grew up, needs a bit of support to bring about regeneration and create jobs. We must make sure, however, that such—how can I put this?—gifts are targeted so that they do not discourage private investors at other ports around the country.

It is also important that we have joined-up thinking with other policy statements on rail and road. We have some great ports in our country, but we need to ensure that once the containers and so on come off the boats, we have great networks to move the containers around the country.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I am very grateful to the hon. Lady for giving way. She raised similar points yesterday in Westminster Hall in a debate on the port of Southampton and I was very reassured by the Minister's comments in response. Was she also reassured?

Dr Thérèse Coffey: I was very reassured, but I am merely trying to re-emphasise that we must ensure that Departments work together, whether that means that the Department for Transport works with the Department for Environment, Food and Rural Affairs or with the Department for Communities and Local Government, to ensure that the UK economy as a whole can benefit from fantastic ports. I also support the coastal shipping initiative, which I know my hon. Friend the Minister is championing.

In the adjourned debate, my hon. Friends the Members for Thurrock (Jackie Doyle-Price) and for Dover (Charlie Elphicke) mentioned nature issues and habitat directives. I share many of their sentiments, as we need to have an appropriate balance, but that does not mean that everything should be swept aside. Just next door to my own port is an area of outstanding natural beauty: 1% of the world's sea pea happens to be right there alongside a heritage asset, a Napoleonic fort. Although we must be mindful of the need to ensure that such things do not get in the way of port development, successful ports can have

[Dr Thérèse Coffey]

both. In fact, birds are attracted to the cranes and so on, so the area has become a rather distinguished twitching zone where people can go and spot rare birds.

I want to emphasise today the significant concerns about the implementation of marine conservation zones and reference areas. Those are new ventures for our country and although I am not against them at all, we hear that DEFRA and Natural England want to work with existing businesses but are very quiet when it comes to talking about new business and replacement activities.

We have great champions for shipping in the Minister and in the shadow Minister, as I know from his previous service. Long may that continue, because ports are what keep this country going.

3.32 pm

The Parliamentary Under-Secretary of State for Transport (Mike Penning): With permission, Mr Deputy Speaker, I will conclude the debate that started on 29 November, speak about some of the issues raised in that debate and respond to my hon. Friend the Member for Suffolk Coastal (Dr Coffey), who has one of the country's great ports in her constituency.

Ports are such a significant part of the economy of this country that it was right and proper that so many Members of this House took the debate so seriously. I understand why some colleagues are not present this afternoon, as they made their contributions on the day. The Select Committee on Transport and its Chair, the hon. Member for Liverpool, Riverside (Mrs Ellman), have also taken ports particularly seriously in this Parliament and the documents and strategy under consideration today show the significance that the new coalition Government attach to ports.

The huge ports, such as that mentioned by my hon. Friend and the great port of Dover—I could mention all the great ports throughout the country, as they are hugely significant and we are a great maritime nation—and the small ports are very significant to our constituencies around the country. By weight, 96% of all products brought into the country come in through our ports.

We are a great maritime nation and I am very proud, as the shipping Minister, to be responsible for dealing with the red ensign, the shipping industry and the problems of piracy on the high seas, which is one of the most significant issues that I have dealt with in the past 18 months. I have worked on that with the International Maritime Organisation, and I want to take this opportunity to welcome the new secretary-general of the IMO to his extremely important post. I became a good friend of the outgoing secretary-general and we will host a dinner for him here in the House of Commons. I hope the shadow Minister will be here for that—if the invitation has not yet arrived, it is in the post.

Our previous debate served to demonstrate the importance of ports not only in economic terms, but for leisure. As highlighted in a Westminster Hall debate yesterday, there is often controversy about changes to ports, such as harbour revision orders. However, we need growth to get out of the economic mire the coalition Government inherited, and for that to happen we must use the best modes of transport.

We will always need our roads, and significant investment is going into our road system—almost £3 billion in the next three years. We also need to carry more freight on rail, and we are achieving that, too. However, there is a capacity issue, particularly on the west coast main line. That is one of the reasons why High Speed 2 is so important; it will free up capacity.

We also need to think again about our ports. The ships coming into our ports are getting ever bigger, and we must work out how we can get their vast cargos around our country, as our transport networks will struggle to cope. Some goods will be carried by rail, but most will go by road. We must also use coastal shipping, however, and we should use the ports in the constituency of my hon. Friend the Member for Suffolk Coastal and the new Gateway port on the Thames as hubs to promote a renaissance in coastal shipping in this country.

Happily, that has already started, but we must remain united in Parliament and continue to promote this move. It is the environmentally friendly way of regenerating the economy and bringing jobs to port areas where previously, perhaps, many were employed but which have recently struggled economically.

When ports are altered and harbour revision orders are made, environmental issues must always be addressed. The Marine Management Organisation has a vital role to play in that. We must not, of course, just bulldoze in, but the habitats directive has been a problem in respect of developing our ports. The directive is therefore being reviewed. The findings will be reported in March, and they will be significant for the future of the ports of our country.

The Chair of the Transport Committee, the hon. Member for Liverpool, Riverside, has just entered the Chamber, and I welcome her. She will not have heard this, but I have already praised her Committee extensively. I probably will not have time to do so again.

Sarah Newton (Truro and Falmouth) (Con): I represent the small ports of Falmouth and Truro, and they have terrific potential to deliver on the agenda the Minister is articulating so well. Will he let us have the names and addresses of the people involved in the review of the UK interpretation of the EU habitats directive being undertaken by the Department for Environment, Food and Rural Affairs, as Members are struggling to find that information and we want to make representations to those people?

Mike Penning: I will certainly make that point to DEFRA. I have had the privilege of visiting Falmouth and listening to the issues and concerns there. It is a smallish—although not very small—port, but it is hugely significant, especially in my hon. Friend's part of the country, and it can clearly contribute a lot. I pay tribute to the work being done there.

I will not rehearse all the points that were made in our earlier debate, but before I close this debate I want to say that this Government are taking the future of our ports, both large and small, very seriously. We have big decisions to make over the next few months and years on matters that can greatly help the growth of the economy and help us get out of the mess we inherited 18 months ago.

Question put and agreed to.

BUSINESS OF THE HOUSE

Ordered,

That, at the sitting on Wednesday 25 January, notwithstanding the provisions of Standing Order No. 20 (Time for taking private business), the Private Business set down by the Chairman of Ways and Means shall be entered upon (whether before, at or after 4.00 pm), and may then be proceeded with, though opposed, for three hours, after which the Speaker shall interrupt the business.—*(Stephen Crabb.)*

Thames River Crossings

Motion made, and Question proposed, That this House do now adjourn.—*(Stephen Crabb.)*

3.40 pm

Jackie Doyle-Price (Thurrock) (Con): I am delighted to have so much available time to discuss future Thames crossings, but perhaps in deference to you, Mr Deputy Speaker, I shall not use all of it.

Clearly, this is an extremely important issue for London, and for south Essex, north Kent and beyond, because the proposed crossings will add significantly to the nation's infrastructure. The proposals generate a number of issues of particular pertinence to my constituents. I wish to raise those issues in the House today and to make some representations to the Minister. For many years there has been a need for additional capacity and more river crossings across the Thames, and, as with buses, two end up coming along at once.

I welcome the Government's commitment to these additional crossings, and I am particularly supportive of the east London river crossing, a proposal being led by the Mayor of London and to which the Chancellor gave his backing in the autumn statement. However, perhaps of more relevance to my constituents are the proposals for a new crossing in the lower Thames, with the objective of alleviating congestion at Dartford. Achieving that objective has been long overdue, but the crossing proposals being examined are at present little more than lines on a map and I wish to put on the record some points that I would like the Minister and the Department to examine as they develop the options.

People in Thurrock are particularly worried about the impact that any new proposals will have on our road network. I am well aware that although the Department for Transport will be looking at the new crossing as part of the national road infrastructure, its impact will be local and will be felt by my constituents, so it is extremely important that the impact be fully considered. As the Member representing the constituency that sits on the north bank of the Dartford crossing, I have to say that this issue generates more correspondence in my postbag than any other, and I am sure that my hon. Friend the Member for Dartford (Gareth Johnson) has a similar experience. My constituents have to deal daily with the consequences of congestion generated by the Dartford crossing, and by the M25 and the A13. I am delighted to see the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) in his place, and I know that he shares my frustrations with the A13 as much as anyone.

The existing Thames crossings are clearly not going to be adequate in the long term, particularly given the potential for economic growth in the locality—in east London and throughout the Thames Gateway—and given the projected increases in traffic volumes more generally. The constraints imposed by the road network in Thurrock and the volumes of traffic using the Dartford crossing are putting real economic opportunities in Thurrock at risk. Although some of the congestion generated by the Dartford crossing, which we are experiencing on a daily basis, ought to be mitigated by the proposal for a new lower Thames crossing, this rather depends on where the new crossing is sited and how it will connect with the existing road network. Given that the three options under consideration pass

[Jackie Doyle-Price]

through Thurrock, this is an issue of very real concern and it is causing considerable disquiet among my constituents. We seek reassurance from the Minister that he will ensure not only that the new crossing will alleviate congestion at Dartford, but that it will not cause us additional problems on the road network in Thurrock.

On the case for more crossings generally, the Government have articulated the importance of appropriate transport infrastructure as a foundation for economic growth and that proposition has to be unarguable. I have no doubt that the inadequacy of current provision is holding back economic development. There are simply insufficient crossings east of Tower bridge; that is shown starkly if one looks at an aerial photograph of London. It is clear that that is holding back the capability of east London and the Thames Gateway to realise their full potential for economic growth. If we have any real ambitions for economic development to shift east, it is crucial that we put in decent road infrastructure.

Looking at current provision, one sees that the Blackwall tunnel and the Dartford crossing are at capacity and that the capacity provided by the Rotherhithe tunnel and the Woolwich ferry are inadequate to provide resilience to the road network. As a result, when either Blackwall or Dartford is closed, as happens all too frequently either because of maintenance or owing to an incident, the consequent congestion causes misery to motorists.

Gareth Johnson (Dartford) (Con): My hon. Friend knows more than most just how severe the congestion is at both Dartford and Thurrock, and she and I both welcome the fact that the Department for Transport is prioritising tackling the congestion at the Dartford-Thurrock crossing. Does she agree that Dartford and Thurrock residents have had more than their fair share of Thames crossings and that if there is to be a further bridge over the river Thames, we should look elsewhere for its location?

Jackie Doyle-Price: I do agree. That is why I am so keen to see another crossing in east London. It has always been my view that many of the journeys across the Dartford crossing take place because there is no other crossing between Blackwall and Dartford. A new crossing would alleviate some of the congestion at Dartford, because it would no longer be the only show in town for London orbital journeys. We need to look at where demand comes from. A big user category is HGV traffic from Dover and we need to look creatively at how we can divert some of that traffic away from Dartford and alleviate congestion there.

As I was saying, the congestion that is caused when one of the crossings is closed is causing misery for motorists, but more importantly it results in significant costs for businesses; they count the costs of the consequences of congestion. That is a particular concern in Thurrock, which is becoming a major logistics hub. It is interesting that this debate follows one on ports, because the growth of the port sector in Thurrock is phenomenal and hugely exciting. In addition to the new port at London Gateway, we have the port of Tilbury, which has gone through 125 years and is expanding, and the Cobelfret port at Purfleet, which has a roll-on/roll-off facility that is expanding. That is supporting a massive increase in job opportunities in the logistics sector and highlights the importance of getting Thurrock's road network moving.

Jim Fitzpatrick (Poplar and Limehouse) (Lab): I congratulate the hon. Lady on securing this important debate. There is consensus across the House that there are not enough crossings east of Tower bridge. Given what she has just said about the London Gateway port mentioned by the Minister in the previous debate, as well as the idea for a Thames estuary airport, which is all over the papers this morning because of Boris Johnson's comments in *The Daily Telegraph*, and given that the centre of gravity in London has been moving east for the past 20 years and will continue to do so, does she think that, if we have the money, two crossings just would not cut it and that we would need four or even six?

Mr Deputy Speaker (Mr Nigel Evans): Order. Before the hon. Lady responds may I remind the shadow Minister that any interventions in an Adjournment debate should be made from the Back Benches?

Jim Fitzpatrick: My apologies, Mr Deputy Speaker.

Jackie Doyle-Price: I am grateful for the opportunity to address that point. I have been less than compromising in my attitude towards the Thames estuary airport, but I think the hon. Gentleman's point about more crossings is that we need a much more long-term approach to our national road infrastructure. I remind him that his Government looked at this issue in 2009 but parked it because it was too difficult. When we consider road infrastructure issues, there is often a natural nimby tendency. We all want to represent our voters' interests, but we need the courage to have the debate and think about what is really important for the long term. If we do not have that, we will be putting much-needed jobs at risk, and we cannot afford to do that right now. Generally, I accept the hon. Gentleman's point that we must look at where the traffic need is likely to be in the long term.

However, as my hon. Friend the Minister said in his statement on ports policy, taking into account where shipping will arrive in the future can open up opportunities to reduce road journeys. We need to look creatively at how we move things around, taking a joined-up approach. The issue of the airport is interesting because, if truth be known, that debate has been taking place, championed by its enthusiasts, without any thought as to the impact on shipping and wider infrastructure outside London.

Mark Reckless (Rochester and Strood) (Con): We heard yesterday very little support for the Thames estuary airport proposition, but one proposal has been floated, with very little detail to it, by Lord Foster, which would cost at least £50 billion. He is looking to include a bridge, a barrage and various other things. Can my hon. Friend confirm that that is an absolutely preposterous proposal?

Jackie Doyle-Price: I am on record as describing that proposal as pie in the sky, and I have not seen anything to change that opinion.

Getting back to the issue of crossings rather than airports, we clearly need more crossings east of Blackwall, and I am delighted that the Minister is not going to duck the issue for a moment longer and that firm proposals will be made. I am not quite sure that I will entirely like what he has to propose, but we have already had a number of robust exchanges on this and I am sure there will be many more.

As I mentioned, the priority must be a new crossing in east London. One can see, just by driving through it, as the hon. Member for Poplar and Limehouse would confirm, that what has really been missing is a link between the north and south circulars. That will unlock opportunities in east London. The area between the ExCeL centre and London city airport is within minutes of central London and it is staggering that it has not really benefited from more development. I am therefore delighted that the Government have put their support behind the Mayor of London's proposal for the new crossing linking Greenwich and Silvertown. I gather that the tunnel will have the capacity to carry up to 2,500 vehicles an hour—a significant increase in capacity, but not enough. As I said, I believe the crossing will divert some of the congestion from Dartford, and since the Mayor of London is determined to complete the crossing within a decade, it is obviously an extremely positive development for the capital and for road users within the M25.

I know, however, that the Minister's main priority is the new crossing in the lower Thames. The previous Government also concluded that such a crossing was necessary. I gather that on every working day the Dartford crossing is operating at capacity, and because of those volumes, even with the removal of toll barriers and the introduction of free flow and the consequent increase in capacity that that will deliver, by 2031 the crossing will be at capacity again. Given how long it takes for this country to build major infrastructure projects, clearly we must make a decision now if we are to be ready to meet those future demands.

As I said, although I welcome the crossing, its ultimate location is of central importance to my constituents in Thurrock. Although, as far as the Department is concerned, the Dartford crossing is part of the national road infrastructure, its impact is local. It has air quality consequences for my constituents. It causes congestion, particularly when there are queues to access the crossing at junction 30/31 of the M25, and I take the opportunity to remind the Minister that improvements to that junction are extremely necessary to maximise the efficiency of the existing road network. That is also felt by the business community, given the importance of the logistics industry and the opportunities for job creation in that sector. The need to ensure that traffic moves will determine the degree to which the local economy can grow.

I shall run through some of the options, to get on record some of the concerns that my constituents have. One option is to link Gravesend and East Tilbury; I believe it is being championed by Kent county council. That option has aroused considerable opposition from my constituents. It would require the destruction of huge swathes of green belt in Thurrock to make way for a new motorway. As Thurrock already hosts the M25, the Dartford crossing and the A13, residents are extremely unhappy at the prospect of more green belt being dug up to build new roads, and the *Thurrock Gazette* recently collected many thousands of signatures for a petition to that effect which I presented to the House last year. I recall that when the previous Government looked at that option it had the weakest business case for alleviating congestion at Dartford.

Another option is for a crossing between Swanscombe and Tilbury. This would have the advantage of joining an existing road that has some spare capacity, but there is a serious question over whether it could cope with the capacity generated by a new crossing. The third option is for an additional crossing at Dartford. This is perhaps the one that generates the most concern, given the volume of traffic we currently struggle with. Given that the M25 is being widened to five lanes in each direction, it is clear that the traffic will bottleneck at Dartford, where the provision is only four lanes in each direction.

We desperately need the improvements that the changes at junction 30 will deliver to deal with the current situation, as the existing road infrastructure cannot support current volumes, let alone an additional crossing adjacent to the existing one. We need an assurance from the Minister that the consequences for Thurrock will be fully considered as the Government review the options. Given Thurrock's position as a logistics hub, the road infrastructure simply must function adequately so that our traffic can get around.

There will of course be massive benefits if new infrastructure can be achieved, but I would like to put on the record three criteria that I would like the Minister to take on board when considering the options. We want assurances: first, that the new crossing will not result in the destruction of Thurrock's green belt for the purpose of constructing new motorways; secondly, that it will not add additional traffic volumes to our already overcrowded road network; and thirdly, that it will alleviate congestion at the Dartford crossing. Clearly, the degree to which the new crossing interacts with the existing road network will determine the degree to which congestion is alleviated. Without these assurances, there will be extremely strong opposition in Thurrock to a new crossing.

There are a number of other issues, and perhaps myths, that the Minister needs to address as the debate moves forward. Many of my constituents believe that the new crossing should be further east, effectively creating a new outer circular. It is difficult to see where such a crossing could be constructed, given the width of the Thames further along the estuary and the cost implications that that would have for a new crossing, be it a tunnel or bridge, but it is important that those options are considered before they are rejected or accepted. I have also mentioned that much of the demand is generated by the volume of heavy goods vehicle traffic from Dover, so we need to be imaginative about how we can divert some of that away from the crossing, not only by having a new crossing, but perhaps by transporting more by ship.

Finally, my constituents often tell me that there would be no need for an additional crossing if the tolls were removed. They believe that the toll barriers are the principal source of congestion. I do not believe that their removal is a solution for the long term, but the Government need to make the case for why expansion is necessary so that we take everyone with us on the need to invest in this road infrastructure. I look forward to the Minister's comments. I am sure that this will not be

[Jackie Doyle-Price]

the last time we debate the matter, but having the debate is important because, ultimately, it will lead to a better final decision on where the crossing will be.

3.58 pm

The Parliamentary Under-Secretary of State for Transport (Mike Penning): It is a privilege to respond to this important debate that my hon. Friend the Member for Thurrock (Jackie Doyle-Price) has secured. She is absolutely right that we have had many robust discussions on this in the House and when I visited Thurrock, and similar discussions on the other side of the river when I visited Dartford. As she knows, I am acutely aware of the situation in Thurrock, not least because I was a parliamentary candidate for the constituency in 2001 and a fireman in that part of the world for many years. Although I probably do not know the situation quite as well as she does, I did spend my teenage years in that part of the world and so understand the issues there. Many of the concerns raised with me when I was a parliamentary candidate have been raised with me on my more recent visits to Thurrock and Dartford, which is why we desperately need to have this debate and this review. My hon. Friend—he is my friend—the Member for Poplar and Limehouse (Jim Fitzpatrick), the shadow Minister, is sitting opposite me, and he knows that I hardly ever do party political stuff, but the previous Government did duck this issue, and they know that they did.

There is a capacity issue at the crossing. We always talk about the bridge, but going north there are two tunnels, one of which is the original. I remember going through when there was only one tunnel, that is how old I am, but going north the inner tunnel is a smaller bore, which causes problems for high-sided vehicles, and that is one reason why the Government have committed themselves to looking at another crossing, either by tunnel or by bridge.

The existing tunnels and bridge were designed for a capacity of 135,000 vehicles per day, but usage has hit 180,000, and one reason why it is not even higher—businesses tell me this, as I am sure the businesses in my hon. Friend's constituency tell her—is that some businesses shy away from using the bridge. They can work in the cost of the tolls, but not the cost of the delays. For many businesses and many people, however, there is no other option.

I listened carefully to what my hon. Friend said about Dover, and Dover is interesting, because it is predominantly a roll-on, roll-off port. It is not like the port of Tilbury, or like DP World's new port—incidentally, it is about to finish the first phase of that project, and I had the privilege of being at its launch. At Dover, however, the lorries are driven on and driven off. Some are on skids, but at the end of the day the freight is on wheels, which are going to roll, and if they are going to go north from Dover there is only one way they can go.

The crossing is significant, with Thurrock to the north, and, to digress for a second, everybody talks about it being the Dartford crossing, but that is only one side. The other side, the northern side, is clearly in Thurrock, but no one talks about the Thurrock crossing very much, apart from those who live in Thurrock, and that is something I have always picked up.

The crossing is of national significance, however. It is part of our national motorway network, and, even though I fully understand that the Mayor of London's proposals, which we support, will take on some capacity, I do not want to divert larger HGVs and through traffic off the motorways. That is what the motorways were designed for, why they are so successful and why they are the safest roads in the country—because they were designed for their current use. The issue is that they are very successful, so we are expanding them and sweating their assets.

My hon. Friend is absolutely right to say that both sides of the motorway are being expanded, albeit without hard-shoulder running, which is what I would have liked to see. The orders were signed off long before I became a Minister, and the Audit Commission said that there was a massive overspend on the project because we were not able to use the asset as we should have—either by widening the motorway and using the hard shoulder, or by using just the hard shoulder. We did not need to do both, but we could have saved an awful lot of money and spent it more wisely elsewhere.

I am not going to be drawn into a debate about where the crossing should be, because further down the line some bright lawyer will drag me through a judicial review, stating that I have expressed a view too early on, but the business case will be significant. The infrastructure to which there is a connection, and the cost of developing it, will be hugely significant, and the effects on the environment—I am acutely aware of the green belt and the pressures on it each side of the river—will be taken into consideration.

What will also be taken into consideration is the effect on the local communities each side of the river and, particularly, on their local road network, because if we do not do so there will be no point in moving on from where we are today. The reason why we managed to secure significant investment from the Chancellor during the spending round was by, first, having a short-term look, today, at what we can do to alleviate the concerns of my hon. Friend's constituents regarding pollution, in particular, and congestion. One of the biggest things on which MPs and colleagues throughout the country write to me is congestion, its environmental aspects and its knock-on effects on business .

Gareth Johnson: The Minister mentions pollution in the area around the Dartford crossing, but may I press him on noise pollution in particular? When he reviews the situation along the east Thames corridor, will he look at the surfaces on the M25 to see whether there is a way of minimising the noise pollution that emanates from those surfaces near the Dartford crossing?

Mike Penning: I was going to move on to other sorts of pollution, including light and noise. I give hon. Members an assurance that when the tarmac needs to be replaced, or the soft surface, as some people like to call it, it will be replaced with low-noise tarmac. That commitment was given by the previous Government and we have continued with it. It is fractionally more expensive, but it removes a huge blight. It is not silent, but it generates about 50% less noise than normal tarmac. The noise is an enormous amount lower than that on concrete surfaces, but the sad news is that

concrete surfaces last much longer. They are a huge success, but the road noise from them is hugely significant.

As I was saying, if we get this right, initially by removing the barriers and then by realigning the motorway going south where there is the dog-leg at junction 1A, people will be able to cross the river with confidence, particularly going south—I will return to the problems going north later—without having to search around for change, throw money into a pot and worry about whether the machine has counted it properly. There is currently the smart facility to go through with a DART card, which I encourage people to use. If we can get rid of the barriers, it will significantly free up time for people going through, particularly as different vehicles currently have to pay different fees. There is a debate about how much time it will save. However, that will not alleviate the problem in the long term.

Interestingly, hauliers tell me that the better I make the Dartford crossing, the more they are likely to use it. People would also be likely to invest in the area. There is a significant ferry employer in Thurrock which owns a significant amount of land on the other side of the river in Dartford that it does not use because of the congestion on the bridge. I am not going to say that investment would immediately go up, but the indication that I have is that the congestion going north and south is inhibiting investment in that part of the world. We can alleviate the congestion, and if we do not alleviate the congestion locally, there is frankly no point in doing this. We can build into what we are doing with the removal of the barriers, thus freeing up more capacity.

As I said, the Chancellor has given us the money to look carefully at where a new crossing could be sited. We are rightly supporting the Mayor's new crossing, which will be excellent news for east London. However, a lot of the traffic that we are considering, particularly the growth in HGV traffic on the M25 through Dartford and Thurrock, will not go that way. That crossing will alleviate the amount of traffic to some extent, but by nowhere near enough.

Members who were here for the previous debate know that I passionately believe that we need to grow ourselves out of the economic situation that we are in. It is right that I need to get as much traffic off the roads as possible, but there is no point in making our motorways wider and wider, managing them and getting them to flow all around the country if, in the most significant spot in the country, with HGVs unable to go anywhere else, there are barriers, toll booths and a northbound crossing that does not have anywhere near the capacity of the southbound one.

We will consider very carefully where the new crossing should go, and we will ensure that any effects on the local infrastructure, particularly junctions 30 and 31, are addressed in the early plans. As my hon. Friend the Member for Thurrock knows, we have looked very carefully at the protracted, but in the end successful, negotiations with DP World over those junctions. I thank DP World for its investment in UK plc. Creating 36,000 jobs in that part of the world is a massively significant boost to the economy, and if we get the crossing right it will be a boost for the economy on both sides of the bridge because a lot of people living south of the river will probably come north to work.

If we can get the crossing right, it will be great for communities on both sides of the river environmentally and in terms of lifestyle, because they will be able to commute and do more things. It will be even better for UK plc, and if we can get it right I am determined to do so as early as possible. We need no more delays, and we have the money to do the early work. We will have long discussions with hon. Members about how the project is structured and how it can work, but UK plc needs a new crossing on the lower Thames and that is what it will get.

Question put and agreed to.

4.10 pm

House adjourned.

House of Commons

Friday 20 January 2012

The House met at half-past Nine o'clock

PRAYERS

[MR SPEAKER *in the Chair*]

Point of Order

9.33 am

Graham Jones (Hyndburn) (Lab): On a point of order, Mr Speaker. May I ask for some advice? There are no more sitting Fridays for private Members' Bills in this Session. Is it possible for the Backbench Business Committee to consider them if they are deferred today?

Mr Speaker: No, because the Standing Orders prevent that from happening. I hope that is helpful, even if it is disappointing.

Mr Peter Bone (Wellingborough) (Con): I beg to move, That the House sit in private.

Question put forthwith (Standing Order No. 163).

The House divided: Ayes 5, Noes 99.

Division No. 429] **[9.35 am**

AYES

Baker, Steve
Chope, Mr Christopher
Nuttall, Mr David
Offord, Mr Matthew
Rees-Mogg, Jacob

Tellers for the Ayes:
Mr Peter Bone and
Mr Philip Hollobone

NOES

Afriyie, Adam
Aldous, Peter
Alexander, Heidi
Barker, Gregory
Barwell, Gavin
Bayley, Hugh
Betts, Mr Clive
Blomfield, Paul
Bottomley, Sir Peter
Bradshaw, rh Mr Ben
Bray, Angie
Brooke, Annette
Bruce, Fiona
Buck, Ms Karen
Buckland, Mr Robert
Burns, rh Mr Simon
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Davey, Mr Edward
Ellwood, Mr Tobias
Fabricant, Michael
Field, rh Mr Frank
Fitzpatrick, Jim
Foster, rh Mr Don
Gale, Sir Roger
Gapes, Mike
Garnier, Mr Edward
Gauke, Mr David
Gibb, Mr Nick
Glen, John
Halfon, Robert
Hammond, Stephen
Hands, Greg
Harris, Rebecca
Harris, Mr Tom
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Herbert, rh Nick
Heyes, David
Hodge, rh Margaret
Hollingbery, George
Huppert, Dr Julian
Jones, Andrew
Kaufman, rh Sir Gerald
Kelly, Chris
Kirby, Simon
Lazarowicz, Mark
Leech, Mr John
Leslie, Charlotte
Lidington, rh Mr David
Lloyd, Stephen
Lopresti, Jack
Lucas, Caroline
Lucas, Ian
Luff, Peter
MacNeil, Mr Angus Brendan
Malhotra, Seema
Metcalfe, Stephen
Michael, rh Alun
Mordaunt, Penny
Munn, Meg
Munt, Tessa
Murray, Ian
Neill, Robert
Newton, Sarah
Nokes, Caroline
O'Brien, Mr Stephen
O'Donnell, Fiona
Owen, Albert
Penning, Mike
Penrose, John
Phillips, Stephen
Pound, Stephen
Randall, rh Mr John
Redwood, rh Mr John
Reid, Mr Alan
Ruddock, rh Dame Joan
Sanders, Mr Adrian
Sandys, Laura
Seabeck, Alison
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Henry
Stewart, Bob
Stewart, Iain
Syms, Mr Robert
Tami, Mark
Vara, Mr Shailesh
Vaz, Valerie
Vickers, Martin
Walley, Joan
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whiteford, Dr Eilidh
Yeo, Mr Tim

Tellers for the Noes:
Graham Jones and
Thomas Docherty

Question accordingly negatived.

Joan Walley (Stoke-on-Trent North) (Lab): On a point of order, Mr Speaker. I wish to draw your attention to the fact that my Bill, the Public Bodies (Sustainable Food) Bill, is item No. 10 on the Order Paper. Given the difficulties faced by Members, who are elected, in being unable to get a sitting date for valid Bills that should be debated by the House, I wonder whether, when you visit the youth parliament in Kidsgrove, you could explain to young people in my constituency the archaic procedures of this House for getting proper legislation through.

Mr Speaker: I welcome such a challenge.

Thomas Docherty: On a point of order, Mr Speaker. I am mindful of your advice to Ministers and I am sure that you will have seen today that the Deputy Prime Minister's statutory register of lobbyists has been leaked to a large number of news outlets, rather than given to the House. Has the Deputy Prime Minister sought you out to offer a formal apology for that gross discourtesy?

Mr Speaker: I am grateful to the hon. Member for Dunfermline and West Fife (Thomas Docherty) for that point of order. The short answer is no; no such conversation has taken place. What I say to the hon. Gentleman, whom I wish well for the weekend, is let us wait and see what Monday brings.

Daylight Saving Bill

Consideration of Bill, as amended in the Public Bill Committee

Clause 1

REPORT TO BE PREPARED ON ADVANCING TIME

9.45 pm

Mr Christopher Chope (Christchurch) (Con): I beg to move amendment 59, page 1, line 3, leave out

'the time for general purposes'

and insert

'the period of summer time (within the meaning of the Summer Time Act 1972)'.

Mr Speaker: With this it will be convenient to discuss the following:

Amendment 58, page 1, line 6, after 'Ireland', insert

'specifically including the interests and concerns of the principal faith communities within the UK.'.

Amendment 3, page 1, line 9, leave out clause 2.

Amendment 63, in clause 2, page 1, line 11, after 'group', insert 'of independent academic experts'.

Amendment 22, page 1, line 12, at end insert—

'(1A) Membership of the Group must be ratified by a resolution of both Houses of Parliament.'.

Amendment 64, page 2, line 1, leave out subsection (4).

Amendment 65, page 2, line 3, leave out subsection (5).

Amendment 12, page 2, line 6, at end insert—

'(6) Such terms of reference must include an investigation into the impact on energy consumption of advancing time by one hour.'.

Amendment 23, page 2, line 6, at end insert—

'(b) Membership of the Independent Oversight Group must include at least one representative from each of the four nations of the United Kingdom.'.

Amendment 95, in clause 14, page 6, line 2, leave out 'Daylight Saving' and insert 'European Time'.

Amendment 5, in clause 3, page 2, line 10, leave out subsection (2).

Amendment 25, page 2, line 14, leave out '18' and insert '24'.

Amendment 60, in clause 4, page 2, line 19, leave out 'the time for general purposes' and insert

'the period of summer time (within the meaning of the Summertime Act 1972)'.

Amendment 67, page 2, line 21, leave out 'daylight saving' and insert 'summertime extension'.

Amendment 68, page 2, line 23, leave out 'daylight saving' and insert 'summertime extension'.

Amendment 69, page 2, line 28, leave out 'daylight saving' and insert 'summertime extension'.

Amendment 81, page 2, line 32, leave out 'daylight saving' and insert 'summertime extension'.

Amendment 83, page 2, line 36, leave out 'daylight saving' and insert 'summertime extension'.

Amendment 84, page 2, line 40, leave out 'daylight saving' and insert 'summertime extension'.

Amendment 89, in clause 5, page 3, line 10, leave out 'daylight saving' and insert 'summertime extension'.

Amendment 90, in clause 6, page 3, line 12, leave out 'daylight saving' and insert 'summertime extension'.

Amendment 91, page 3, line 19, leave out 'daylight saving' and insert 'summertime extension'.

Amendment 71, in clause 8, page 3, line 34, leave out 'daylight saving' and insert 'summertime extension'.

Amendment 72, in clause 9, page 4, line 4, leave out 'time' and insert 'summertime'.

Amendment 76, in clause 11, page 4, line 25, leave out 'daylight saving' and insert 'summertime extension'.

Amendment 61, in clause 12, page 4, line 35, leave out subsection (1).

Amendment 79, page 5, line 37, leave out subsection (8).

Amendment 93, in clause 14, page 6, line 2, leave out 'daylight saving' and insert 'summertime extension'.

Mr Chope: I wish to introduce a discussion on amendment 59 and the other 27 amendments, from Members on all sides of the House, that you have included in this group, Mr Speaker. Before I outline the reasoning behind amendment 59, I congratulate my hon. Friend the Member for Castle Point (Rebecca Harris) on having steered her first private Member's Bill so far. [HON. MEMBERS: "Hear, hear!"] As you know, Mr Speaker, I have been in this House for some 23 years and have never got a private Member's Bill as far as my hon. Friend has, so she is to be congratulated. I did not oppose the Bill on Second Reading, because I hoped that I would be able to change it through amendment, should the opportunity arise. That is the background to where we are today.

Amendment 59 is born of two deep-seated political convictions that I hold. First, I believe passionately in the Union of England, Scotland, Wales and Northern Ireland. That means that I support a single currency for the Union, the pound sterling, and a single time zone. I am a Conservative, as well. In other words, I do not support change unless there is an overwhelming case for making it.

Robert Halfon (Harlow) (Con): My hon. Friend says that he is a passionate supporter of the Union, but another strong union is the United States, yet it has different time zones.

Mr Chope: I will not be drawn into having a discussion about the United States, because the Bill is fairly and squarely about the United Kingdom, a far superior country to the United States. I am not unfamiliar with the fact that there are countries with more than one time zone. Last weekend I was in Kazakhstan, which has two time zones and, as my hon. Friend will know, is the ninth largest country in the world.

Jacob Rees-Mogg (North East Somerset) (Con): It is worth pointing out that the coming power of the next century, China, has only the one time zone, and as we know from Noel Coward, China's very big.

Mr Chope: I hope that we will have many similar witty interventions from my hon. Friend during the day.

Mr Speaker: Order. Preferably relating to amendment 59.

Mr Chope: Absolutely, Mr Speaker, and of course the other amendments in this group.

I believe that the original proposals in the Bill were contentious, divisive and essentially selfish. The rewriting of the Bill in Committee, at the behest of the Government, has made it clear that we can have only one time zone in the United Kingdom, which I think is a welcome measure of support for the Union. However, the Bill's Achilles heel is that it has been redrafted in such a way that it would enable the United Kingdom Government to change the time zone in Scotland without the consent of the Scottish Parliament. We know that the Scottish Parliament, and MPs representing Scottish constituencies, do not support a change that would make winter mornings in Scotland even colder and darker than they are already.

Mr Tom Harris (Glasgow South) (Lab): For the record, I am here this morning to support the hon. Member for Castle Point (Rebecca Harris), and I spoke in a general debate in favour of the change the year before last.

Mr Chope: I am grateful to the hon. Gentleman for putting his support for the Bill on the record, but I am sure he is not suggesting that his view is shared by all his colleagues from Scotland.

Mr Angus Brendan MacNeil (Na h-Eileanan an Iar) (SNP): To support the hon. Gentleman's assertion, I point out that I was on a radio programme on BBC Radio Scotland a number of months ago on which there was a balance of contributions on daylight saving. However, the overwhelming majority of callers to the programme were against the move.

Mr Chope: If that is so, and I am sure it is, we are in danger of embarking on a course that will waste an enormous amount of public money and Government time. The Under-Secretary of State for Business, Innovation and Skills, the hon. Member for Kingston and Surbiton (Mr Davey), said in Committee that a trial involving advancing all the clocks in the UK by one hour would not proceed

"if there was clear opposition from any part of the country."—[*Official Report, Daylight Saving Public Bill Committee*, 7 December 2011; c. 4.]

The Parliamentary Under-Secretary of State for Business, Innovation and Skills (Mr Edward Davey) *indicated assent.*

Mr Chope: I see the Minister nodding in agreement.

Mr John Redwood (Wokingham) (Con): I am terribly worried, because I normally agree with my hon. Friend, but he says that Scotland has a right of veto, and I want to know who speaks for England. Does England have an opportunity to have its own view heard as well?

Mr Chope: Of course although, amazingly, the inquiry into the West Lothian question to which the Government have committed themselves has been delayed and delayed.

Albert Owen (Ynys Môn) (Lab): I am a little disturbed that the debate is already going down the England-Scotland route. There is a Welsh dimension to it, and there is a UK dimension to the whole thing. Does the hon. Gentleman agree that tourism and road safety are just as important in Wales as in other parts of the United Kingdom?

Mr Chope: Absolutely, and if the hon. Gentleman is patient I hope to mention Wales in my remarks.

Mr Andrew Smith (Oxford East) (Lab): The hon. Gentleman said earlier what a strong and passionate advocate of the Union he was. Should not this United Kingdom Parliament therefore determine the time zone for the whole United Kingdom?

Mr Chope: I agree, and that is exactly what we are doing, but my concern is that if this Parliament changes the time zone for the United Kingdom against the wishes of the people of Scotland, it will give extra ammunition to those people in Scotland who are campaigning for independence. We would be playing into their hands if we forced the Bill through.

Oliver Heald (North East Hertfordshire) (Con): Is not the reality that we should have a review and see what the predominant opinion and the strongest arguments are on this important issue? If the general mood right across the UK is that we should have a change, and that sports clubs and tourism should have the advantages that it would bring, surely we should not be denied a review simply because of the views of a small number of people.

Mr Chope: As a lawyer, my hon. Friend will know from having read my amendments that they do not rule out a review. Indeed, they support the idea, but would confine it to the issue of extending British summer time while leaving Greenwich mean time as it is at the moment.

Sir Peter Bottomley (Worthing West) (Con): Does my hon. Friend agree that the debates on the matter in Scotland, Wales, Northern Ireland and England ought to be based on the research of Mayer Hillman, whose booklet "Time for Change" points out that some of those who would gain the most are in Scotland?

Mr Chope: It is easy for people to assert, in a rather patronising way, that a particular measure will benefit people in Scotland, but on Second Reading some hon. Members representing Scottish constituencies expressed a completely different view. I would prefer to trust their assessment of their constituents' wishes than rely upon some academic treatise, which I am afraid to tell my hon. Friend I have not yet had the opportunity to look at.

Mr MacNeil: If there is any perception of high-handedness from Westminster, last week's figure of 1,000 new members of the Scottish National party will probably be dwarfed. That, of course, was through www.snp.org/join.

Mr Chope: The hon. Gentleman and I are on the same side on this issue, and I am not totally unfamiliar with Scotland because I had the privilege of spending four years as a university undergraduate there. I remember those cold mornings, as a keen undergraduate, getting up early and facing the stiff east wind in the dark. I understand and feel for the people in Scotland who are faced with the prospect of having even darker mornings.

Mr Tom Harris: The hon. Gentleman is making the point that evidence should be discarded and the personal opinions of individual Members should be set on a higher level. Is he not in favour of evidence-based policy making? The Bill would allow the evidence for or against a change to be seen after a trial period. If the result of the trial was that my constituents were going to be put in greater danger, of course I would oppose a permanent change at the end of the trial. Is he not in the same position?

Mr Chope: My difficulty is that there is nothing to prevent the Government from commissioning an inquiry and getting the evidence that would enable the hon. Gentleman to reach a decision on this contentious issue. I cannot understand why, if the Government support the Bill, they have not already embarked on getting a body of evidence together. That evidence could then be presented to the House and we could decide whether we thought, in the light of that evidence, that we should make any changes to the clocks. I will refer to that in a bit more detail later.

Bob Stewart (Beckenham) (Con): Well, there is some evidence, is there not? One might say that as a London MP I would say that, but the Greater London authority's economic experts have suggested that the UK economy would benefit by about £1 billion in all regions, not just in London. There is already some evidence.

Mr Chope: Certainly there is, and my hon. Friend refers to it, but I believe that the Government and the promoter of the Bill accept that there is not enough evidence on which to take a decision. The Government are saying they need to gather more evidence, which suggests that the evidence to which my hon. Friend refers is not sufficient for either the promoter of the Bill or the Government.

Stephen Lloyd (Eastbourne) (LD): Does the hon. Gentleman agree that there is evidence that upwards of 80,000 new jobs could come from the Bill, if it were implemented? Given the state of the economy, is it not crucial that when we have an opportunity, at little cost, to create new jobs, the House should support it?

10 am

Mr Chope: I am probably more in favour of developing new jobs in the economy through enterprise and competition than many other Members. My reading of the evidence so far is that those new jobs would come mainly from tourism. My amendment 59, which would confine the experiment to extending British summer time by 1 hour rather than interfering with Greenwich mean time in the winter, would address the area that has the greatest potential benefit and which is most likely to increase the number of jobs.

Hugh Bayley (York Central) (Lab): Surely the hon. Gentleman is not suggesting that tourism stops in the winter in great cities such as London, York and Edinburgh.

Mr Chope: No, I am not suggesting that at all. I am not suggesting that money is only to be made out of tourism during daylight hours. Indeed, there is a lot of tourism in London in the night time economy that is very beneficial to the country's economy. I see my hon. Friend the Member for Bournemouth East (Mr Ellwood) in his place. He will know that the night time economy in Bournemouth is also flourishing and thriving. That is not dependent on having this Bill on the statute book.

Fiona Bruce (Congleton) (Con): Is not another piece of evidence the fact that about £138 million a year could be saved in the NHS by reducing the number of road casualties?

Mr Chope: My hon. Friend refers to another piece of evidence. I do not know whether it is correct.

Fiona Bruce: Apparently the figure comes from the Department for Transport's estimates.

Mr Chope: As a former Transport Minister, far be it from me to criticise the Department for Transport. I have to say, though, that most of the alleged benefits—by which I mean the reduction in the numbers of road casualties—would occur in Scotland, but given that road safety is, as I understand it, a devolved matter, if the Scottish Parliament wishes to take action to improve road safety, including by doing something along the lines suggested in the Bill, surely it must be a matter for the Scottish Parliament. I am conscious that on Second Reading mention was made of the fact that during the last experiment in the north of Scotland, notwithstanding changes being made to drink-driving laws and so on, the number of road casualties actually increased.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): One of the most significant factors is that over the past year the number of road accidents in Scotland has fallen. Had we passed the Bill on its First Reading, we might have misattributed that reduction to the effects of daylight. In actual fact, however, road accidents have far less to do with the amount of daylight than with other factors, such as how people drive and the weather conditions, for example. I urge caution over some of that evidence.

Mr Chope: The hon. Lady's words are very wise. My experience as road safety Minister in the Department for Transport leads me to believe that we must be careful not to draw the wrong conclusions from experiments. My view is that a stronger law on drug-driving would have a significant impact on road safety in our country. But that is not a debate for this morning.

Sir Peter Bottomley: The hon. Member for Banff and Buchan (Dr Whiteford) is right to say that the number of road deaths fell from 5,600 a year in 1986 to 1,850 in Great Britain last year. The point is that when we change our clocks back, the number of deaths rises—that happens regardless of the underlying level. If we are seriously interested in cutting the number of unnecessary deaths, we have to go for this review, including for the winter, but, as I understand it, my hon. Friend the Member for Christchurch (Mr Chope) is suggesting that we do not include winter in the review.

Mr Chope: My hon. Friend's reading of my amendment is absolutely right. We have already had a review of the winter, in the '60s and early '70s, but we never had a

review of what happens in the summer. I therefore think that the priority should be to have a review of the summer.

Sir Roger Gale (North Thanet) (Con): My hon. Friend refers to a past review but he knows the figures and he knows perfectly well that it demonstrated conclusively that there was a reduction in the number of road traffic accidents.

Mr Chope: In that case, why was the outcome of that review overwhelmingly rejected by Members of the House, who decided not to proceed with the experiment?

Sir Peter Bottomley: The answer is simple: the politicians lost their nerve. The small increase in the morning was heavily outweighed by the reduction in the afternoons and evenings, yet the minority effect was taken as the majority one. That is the kind of thing that can happen outside the House, but it should not happen inside. We should pay attention to the majority arguments. Had we accepted the review, we would never have gone back to what we have now, which has cost us 20,000 deaths and injuries in the past 30 years.

Mr Chope: My hon. Friend states that the politicians lost their nerve. I do not know whether that is correct, but surely the important thing is that the House, with the combined political wisdom of all its Members, ultimately takes the decision. Instead of leaving it, as the Bill does, to the Government to introduce an order—albeit one that would have to be approved by the affirmative procedure—the Government should introduce a Bill having first gathered the evidence. That way we could vote on the Bill in an informed way.

Bob Stewart: Let us be quite clear. If there is evidence, as there seems to be, that changing how we run our clocks will save lives—according to the London estimate, it would mean six fewer deaths and 23 fewer severe injuries a year—we have a duty to consider how we manage our time. That is our responsibility as a Parliament.

Mr Chope: I do not wish to criticise my hon. Friend in public but he will know that the outstanding Mayor of London introduced facilities to encourage more cycling in London. It is possible to argue, from the figures that I have seen, that as a consequence there have been more injuries and deaths among London cyclists, but I do not think that my hon. Friend would argue that we should ban cycling in London just because it might save lives.

Mr Tobias Ellwood (Bournemouth East) (Con): On a point of order, Mr Speaker. May I say how much we are enjoying the oration from my hon. Friend and constituency neighbour? It does seem, however, to be taking on the feeling of a Second Reading—

Mr Speaker: Order. The hon. Gentleman should resume his seat. I say to him for the avoidance of doubt that were the debate taking that shape, I would intervene to prevent it, but it has not yet done so. I am grateful to him for his solicitous concern for the debate but he can happily leave it with me.

Mr Chope: Thank you, Mr Speaker.

Mr MacNeil: These comments about the numbers of road deaths and accidents are misleading. The graph on deaths in the mid to late '60s shows their number falling before and during the trial but falling more steeply after it. It is possible to argue, therefore, that the trial delayed the downward glide of the number of road fatalities and that there are people who died during that period who might not have done had we not had those three years of dark winter mornings.

Mr Chope: I hear what the hon. Gentleman says. This shows how complicated the issue is and why ultimately it should be left to the judgment of Members of Parliament based on the evidence presented.

Mr John Leech (Manchester, Withington) (LD): Does the hon. Gentleman not accept that most accidents happen during the period of the day that would benefit most from the change in time zones?

Mr Chope: I am afraid that I do not accept that. One specious statistic that has been mentioned suggests that more accidents involving children occur between 3 and 6 o'clock in the afternoon than between 7 and 10 in the morning. Of course, most children are at school from 8.30 am onwards, so between 8.30 and 10 am there are hardly any children around, whereas schools break up for the day earlier than they used to, so there is a lot more activity on the road among children between 3 and 6 o'clock. To compare the morning period to the afternoon period simplistically is not intellectually correct.

Charlotte Leslie (Bristol North West) (Con): Does my hon. Friend agree that as the results of the previous review are disputed, and as this debate keeps turning into a debate about the evidence either way, there is even more need for a proper review with proper evidence that we can then debate? My hon. Friend speaks eloquently, and I hope one day to be able to emulate his eloquence, but is it not the case that the more we talk about the issue, the more we risk yet again denying the British public the opportunity to hear this debate balanced in evidence?

The subject has come back to the House again and again. This is possibly less a debate about the pros and cons of daylight saving than it is a debate about whether internal process gets in the way of getting things done for the people outside the House.

Mr Chope: I am grateful to my hon. Friend, but I will not be seduced by her generous comments. A review to collect, examine and analyse the evidence can be undertaken by the Government now, without the need for any legislation. If she thinks that that should be done—I agree that it would be extremely helpful—it could be done without the Bill, if the Government had the will to do something about it. That is why I have other concerns about how the Bill is drafted.

Sir Peter Bottomley: On a point of order, Mr Speaker. We understand your response to my hon. Friend the Member for Bournemouth East (Mr Ellwood), but my hon. Friend the Member for Christchurch (Mr Chope) now appears to be saying that we do not need the Bill. In my experience, that is not properly a matter for debate on an amendment.

Mr Speaker: The answer is that passing reference by the hon. Member for Christchurch to his view on the merits or demerits of the Bill is in order, but dilation on that matter is not. For that reason, I think that the hon. Member for Christchurch would be well advised to take a gentle hint and focus on amendment 59, which gives a man of his experience, ingenuity and indefatigability considerable scope in any case.

Mr Chope: I am grateful to you, Mr Speaker, and to my hon. Friend for his point of order. For the sake of clarification, I was suggesting that the part of the Bill calling for the collection of evidence is not necessary, but we can develop those arguments in due course if there are amendments pertinent to it.

The most important thing is that I should make some progress. I have not made much, owing to the number of interventions and the amount of interest in this group of amendments. There is opposition to such a change in Scotland; I can see that there is some support as well. In the past year, the Government have basically done nothing in relation to the Bill since Second Reading. They have not considered the evidence. If they had, we might not need to allow up to 18 months for the proposed inquiry. At the moment, the Government suggest that it could take 18 months rather than one year. My amendment would reduce the scope of that inquiry, thereby reducing the costs and enabling progress to be made more quickly. Those who want progress will see merit in amendment 59, because it would focus the scope of any inquiry.

Mr MacNeil: The effect of darkness has been asserted in the Chamber. In fact, the most dangerous hour on the road is 3 o'clock in the afternoon, which is in daylight all the time. Another point to bear in mind is that since the trial, the fatality rate has dropped from about 7,500 a year to below 2,500 a year. The improvements in road safety have been due to a number of other factors. Daylight does not seem to be as big a factor as some Members would have us believe.

10.15 am

Mr Chope: The hon. Gentleman makes a good point.

I must get back to the amendments. I believe that most of the opposition to the Bill is based on concern about moving away from Greenwich mean time in the winter: that is, from the last weekend in October to the last weekend in March. Those five months have the least daylight, and rebalancing the clock to achieve an extra hour of daylight in the evening can occur only at the expense of losing daylight at the time when most people are starting their day and going to work or school. Most support for the Bill—certainly as evidenced by the small number of my constituents who have written to me—is due to the fact that it would give longer evenings between April and October.

If one accepts those two propositions, it seems sensible to focus on extending British summer time rather than interfering with the application of Greenwich mean time. It would be lighter later throughout the summer and during much of the spring and autumn, satisfying those who want more time to play outdoor sport in the evenings. I have had representations from people who play bowls in Christchurch. People who play cricket or tennis, or who indulge in golf, sailing or surfing would also benefit from lighter evenings, because they do not normally want to get up early in the morning to participate in those activities.

Angie Bray (Ealing Central and Acton) (Con): I have received a number of representations from constituents who are clear that they want to enjoy an extra hour of sport during the whole year. That would be delivered if, as many of us in the House want, the clocks were changed all year round.

Mr Chope: With the greatest respect, I do not believe that that could be achieved unless we created more daylight. There is a finite amount of daylight in the winter months. If we reduce the amount of daylight in the mornings and increase it in the evenings, people will still have little time to participate in sport during the working day.

Angie Bray: Nobody seeks to play sport at 7.30 in the morning. They are more likely to do so at 4 in the afternoon. That is precisely what they would be able to do if we were to make that change.

Mr Chope: Again, it is dangerous to generalise. I do not know about you, Mr Speaker, but some Members of the House go jogging at 7.30 in the morning. It would be wrong to suggest that they should be excluded from our discussions. At the moment, at 7.30 in the morning, daylight is just about breaking in London, but if the Bill were passed and the clocks were changed, they would be jogging in darkness.

Mr Speaker: Order. Just before the hon. Gentleman gives way, and pursuant to the intervention that he has just taken, I know that in focusing on amendment 59 and the amendments with which it is grouped, he will want to turn his remarks to the preparation of the report on the costs and benefits of the time zone.

Mr Chope: I agree absolutely, Mr Speaker.

Hugh Bayley: There are 50 Members in the Chamber at the moment, all of whom have views on the Bill and many of whom, like me, support it. The hon. Member for Christchurch (Mr Chope) has been speaking for more than half an hour. Does he believe that his views are more important than those of the rest of us in the Chamber, or will he sit down to give others the opportunity to speak as well?

Mr Chope: The hon. Gentleman says that I have been speaking for all that time. Actually, I have not. Much of that time has been given to other people who have sought to intervene. As a matter of courtesy, I have allowed those interventions, in the same way that I allowed his. I hope that he will not misrepresent the situation and give a false impression.

Hugh Bayley: I most certainly would not want to misrepresent the hon. Gentleman's views, but the question is simple: is he going to allow time for other Members to speak?

Mr Chope: I hope there will be plenty of time for other Members to speak. That is why I want to make more progress in discussing these amendments. The

hon. Gentleman, who is a member of the Panel of Chairs, knows the rules of procedure and knows that this amendment has been selected along with other amendments, so it is reasonable that we should discuss it and others in the group. I am sure that the hon. Gentleman is not supporting the principle of the tyranny of the majority. This House has made its reputation among the democracies of the world on the basis that it allows the minority to have their say. I believe that that is an important fundamental principle.

Hugh Bayley: It is a simple question: is the hon. Gentleman trying to talk out this Bill or does he believe that others should be able to express their views, as they have the same right to speak as he enjoys?

Mr Chope: It is basically the luck of the draw. If an hon. Member's amendment is selected as the lead amendment in a group, it is obviously that hon. Member's responsibility to speak to that amendment and conduct a debate around it. *[Interruption.]* I think this is developing into a rather puerile discussion.

Jacob Rees-Mogg: There are 28 amendments in this group. If my hon. Friend were to devote just five minutes to discussing each one, it would take two hours and 20 minutes. Surely that is what we want—a proper discussion of all the issues, amendment by amendment.

Mr Chope: I shall come on to the other amendments seriatim, but I doubt whether I shall speak at such length as my hon. Friend suggests.

Sir Peter Bottomley: I am grateful for my hon. Friend's response to my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg), because the attitude of the latter was the kind of thing that helped to delay the abolition of slavery for generations and stopped Samuel Plimsoll from getting a white line painted on ships to make sure that they did not turn over because they were overladen. My hon. Friend the Member for Christchurch is right; he should get on.

Mr Chope: Let me summarise what I think is the strength of the argument for amendment 59. It would ensure that the change applied only to seven months of the year, so it would take less time and cost less to prepare and publish a report, for which clause 1 provides. The straight pro rata saving would be, on my calculation, about 40% in time and cost—well worth while in an age of austerity. The savings should be even greater, because the most contentious area of inquiry would not have to be addressed—namely, the costs and benefits of advancing GMT by one hour in the winter across the whole of the United Kingdom.

Laura Sandys (South Thanet) (Con): I have received many representations from the tourism sector in Thanet. My hon. Friend talks about reducing Greenwich mean time, but would it not be much simpler to do this universally right across the year? How many representations has my hon. Friend had from his tourism sector locally? As I say, I have had a huge number of them and he represents a similar coastal community.

Mr Chope: I am sure that I represent a similar coastal community, but I have to tell my hon. Friend that I am not aware of having received a single representation from the tourism industry, although I have had a number from constituents, some of whom, for all I know, might be involved in the tourism industry. I have written back to all such constituents and explained that I was concerned about the integrity of the Union and believed that many of their concerns could be addressed by looking at having an extension to British summer time while leaving GMT unchanged.

Mr Ellwood: I am sorry that my hon. Friend has not had an opportunity to speak to tourism operators in his constituency. He will know that his constituency is next door to mine, and I have had a chance to visit the tourism operators in his constituency. I apologise for not letting him know in advance, but they were and are very much in favour of this Bill. I add that we are supposed to be debating the report and that people's attitude to my hon. Friend's idea of not moving the clocks in winter but only in summer could be discovered when people react to the Government's request for information when the report is put together. My hon. Friend's amendment and request are, in effect, already in the Bill as it stands.

Mr Chope: I am almost lost for words. My hon. Friend has come into my constituency on I do not know how many occasions to talk to I know not which businesses about the Bill. I hope that he told them that their prime responsibility should be to communicate with me as the Member for Christchurch rather than through him as the Member for Bournemouth. East. Be that as it may, I have yet to hear from these businesses. They might be run by people who are resident in my hon. Friend's constituency, so I have no problem with that. With the greatest respect, my hon. Friend misunderstands the purpose of amendment 59, which is to bring some focus and simplicity to this issue by concentrating on the summer months rather than complicating matters by including GMT.

Mr MacNeil: Does the hon. Gentleman agree that tourism is more a function of temperature and that it dies down in the winter months because it is colder? If any group of people can get up an hour earlier, take advantage of the entirety of the daylight and are free to do so it those who go on holiday. On holiday, we can choose when we go to bed and when we get up without reference to an employer or anybody else.

Mr Chope: The hon. Gentleman makes a powerful and persuasive point—one that I must admit I had not considered. He makes a worthwhile addition to our deliberations on this aspect of the Bill.

Before moving on to other amendments in the group, I urge the Minister to give his unqualified support to Government research on the potential costs and benefits of my proposal in the event of this Bill not reaching the statute book this Session. The Government do not need legislation or even the authority of the House to prepare a report. I have noted a certain reluctance on the part of the Government to engage in the lively debate consequent on the introduction of this Bill. If the Government are supportive of the Bill, as amended at their insistence in Committee, why have they not already produced or started work on producing a report from experts? I shall not be rude to the Government by suggesting that they have been sitting on the fence and wanting to have it

[Mr Chope]

both ways. That is not my nature, but I think that the Government and the Minister have to answer a number of questions about this matter.

At the behest of my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg), let me turn briefly to some of the other amendments in the group. Amendment 58, tabled by my hon. Friend the Member for Shipley (Philip Davies) and others, picks up a concern articulated in Committee that the Bill's proposals could impact particularly adversely on faith communities. The amendment would require the Secretary of State to have specific regard to

"the interests and concerns of the principal faith communities"

in the UK. It seems a perfectly sensible amendment to me, as I would expect any amendment by my hon. Friend to be. If amendment 59 were carried, however, I believe that many of the concerns of faith communities such as Orthodox Jews would be addressed in any case because their concerns are centred principally around having darker mornings rather than lighter summer evenings. I recognise that amendment 59 would not satisfy amateur astronomers who would have to stay up even later to get a good view of the stars, but it would address the concerns underlying amendment 58.

Mr David Nuttall (Bury North) (Con): In fact, many astronomical phenomena take place early in the morning, so it might not be so clear cut for astronomers as my hon. Friend believes.

Mr Chope: Again, my hon. Friend makes the point well, based on his experience—I am sorry that I do not have any experience of stargazing in the early mornings.

10.30 am

Mr Andrew Smith: We all respect the convictions of religious minorities and the obligations imposed on their members, but is the hon. Gentleman suggesting that more weight should be given to them than to the views of the rest of the population?

Mr Chope: My hon. Friend the Member for Shipley will be able to answer that question, because it relates to his amendment. I certainly think that the representations of mainstream religious organisations—the reference is to the mainstream, rather than to any quirky group—should be taken into account.

Mr Matthew Offord (Hendon) (Con): My hon. Friend is making an eloquent speech and is listening to all sections of opinion within the House. Does he agree that we should consider not only economic issues and concerns, but quality and well-being issues, such as the impact that the Bill would have on people's religious observance, which many of my constituents have contacted me about?

Mr Chope: My hon. Friend makes a good point—of course he is a signatory to amendment 58 and he made the same point in Committee. This is about not only collecting evidence, but evaluating that evidence using the relevant criteria, including those to which he refers. That is probably one reason why he has misgivings about aspects of this Bill, as do a number of other hon. Members.

Philip Davies (Shipley) (Con): As my amendment was mentioned, I am anxious to ensure that it is not misrepresented. Does my hon. Friend agree that it does not say that the concerns of those faith groups should take precedence over everybody else's view? The amendment merely asks that regard be given to their concerns when a decision is taken.

Mr Chope: I am grateful to my hon. Friend for making that point.

Amendment 3 stands in the name of my hon. Friend the Member for North East Somerset and I look forward to hearing his speech in support of it. The amendment proposes to leave out clause 2, and I may well share the scepticism of my hon. Friends who have supported that amendment, because they obviously feel that the Bill would be better if it made no reference to what is described as the "Independent Oversight Group".

One thing seems to be absolutely clear: this so-called "Independent Oversight Group" will not be independent of the Government. Its members will be chosen by the Secretary of State, who will be able to remove them on a whim, and subsection (3) provides that they will not even be entitled to have all their expenses defrayed, because instead of using the word "must" the Bill refers only to "may" in this regard. They will not be allowed to choose their own terms of reference and they will have to do as they are told by the Secretary of State, even to the extent that he will be able to order them not to publish their advice quickly. They might produce their report quickly, but the clause means that the Secretary of State will be able to say to them that they should not produce the report based on their findings until a given time, perhaps closer to a year or 18 months after they had been asked to start their work. So I can understand the scepticism.

My hon. Friends the Members for Wellingborough (Mr Bone) and for Gainsborough (Mr Leigh) and I have tabled the more modest amendment 63, which would require the independent group to be comprised of "independent academic experts". We did so not because we believed that a group of independent academics is necessarily best suited to this task, but because the Minister promised in Committee that the group would be so limited and the amendment would prevent him from changing his mind later. The amendment would also provide the opportunity to probe him further as to how and why he believes that independent academic experts are the best people to advise on a report on the potential costs and benefits.

I have been campaigning for a long time for the Government to carry out work and produce a comprehensive report on the costs and benefits of UK membership of the European Union. I find it interesting that although the Government resolutely refuse to do that, they are prepared to contemplate such an inquiry into the costs and benefits of changing the time zones within this country.

Mr MacNeil: Did the hon. Gentleman fear, as I did when I heard the hon. Member for Beckenham (Bob Stewart) talk about sharing a time zone with Europe, creeping Euro-harmonisation, which perhaps would not be helpful at all in this instance?

Mr Chope: I am much more in favour of harmony than harmonisation, particularly on the European Union.

Amendment 22, which again stands in the name of my hon. Friend the Member for Shipley, states:

"Membership of the Group must be ratified by a resolution of both Houses of Parliament."

It introduces a modest safeguard to try to ensure that the group is truly independent. What could be wrong with this House having an opportunity to ratify the membership of the group or to table amendments to remove individual members from or add them to it?

Philip Davies: Given the slightly different tack that my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) and I have taken in our amendments, does my hon. Friend the Member for Christchurch (Mr Chope) feel that if my amendment were accepted, the necessary safeguards would be in place and he would then be happy for the independent oversight group to take shape?

Mr Chope: It would go some way to addressing the problem, but what the amendment in the name of my hon. Friend the Member for North East Somerset bears out is that there is a certain amount of scepticism about whether the "Independent Oversight Group" will actually be independent. Giving this House the opportunity to ratify the membership or otherwise might obviously provide some safeguard, but this is not my preferred approach. If amendment 22 was, however, incorporated in the Bill, a Select Committee could perhaps try to get involved in the process and interview the people who were going to be cited on the Order Paper as appointments needing ratification by this House.

Philip Davies: But if we accepted amendments that made this group genuinely independent, surely that would be better than having no independent oversight group at all.

Mr Chope: I absolutely agree with my hon. Friend about that.

Amendment 64 stands in my name and those of my hon. Friends the Members for Wellingborough and for Gainsborough. It proposes to omit subsection (4) from clause 2—this is the subsection that, above all, constrains the activities of the so-called "Independent Oversight Group". From the Government's perspective, the group can be independent, provided that it does as the Government say—I shall try to illustrate that with two specific examples. Under this subsection, the Secretary of State could prevent the group from examining separately the issues of whether to have experiments advancing the clocks by one hour: in the summer alone, in the winter alone, or across the whole year. Why do the Government insist on holding the whip hand? Another example of what could happen unless subsection (4) is removed is that the Government could prevent the publication of any minority report from the group. They could suppress dissent, because although the group might contain people who took a different view from the majority, the Government would be able to use their powers to say, "You are not allowed to produce a minority report."

Sir Peter Bottomley: I often think that I understand what is going on. I thought that the oversight group was supposed to look at methodologies—the sort of thing for dry statisticians, rather than for people with strong personal views about what the outcome should be.

Mr Chope: My hon. Friend is right, as that was what was said in Committee. If one closely reads the Bill, however, one sees that it does not say that at all. It gives the impression that the oversight group might be able to give some advice on policy rather than just being a group of technocrats, but that is not what the Minister said in Committee. My hon. Friend is right to recall that in Committee we were told that this would be a technical group, but that is not what is on the face of the Bill. As a very experienced legislator, he knows that we must judge things on the basis of what is in the Bill rather than on what the Government say they intend. That is the background.

Amendment 65, which was again tabled by me and by my hon. Friends the Members for Wellingborough and for Gainsborough would leave out clause 2(5). The subsection is a major constraint on the independence of the group. It appears from what the Minister said in Committee that the Government want the group to establish facts but not to give too much, if any, advice to the Government. If the Government are choosing and controlling the membership of the group, however, why are they not willing to trust its members to behave responsibly and bring forward a comprehensive report of their own choosing? It is very difficult to find the best people to serve on independent groups, but it will be much more difficult to get the best people on to this group if they know that they are joining a group that will not be independent and that they will not be able to use their judgment because they are always beholden to the Government, who will be looking over their shoulder. Leaving out that subsection would enhance the independence of the group.

Amendment 12, tabled by the hon. Member for Argyll and Bute (Mr Reid), would require the terms of reference to include an investigation into the impact on energy consumption of advancing time by one hour. One might assume that such an investigation would be essential if the group were to produce a definitive report on the potential costs and benefits. The amendment, however, exposes the fact that the Secretary of State could specifically prevent the group from looking into such a matter. Some might say that I am being unduly suspicious of the Government and might ask what possible motive there could be for their doing that, but we know from the experience in Indiana that, with darker mornings, more energy was consumed than was offset by the reduction in energy use in the lighter evenings. I see that the hon. Gentleman is nodding in agreement.

Mr Alan Reid (Argyll and Bute) (LD): The hon. Gentleman mentions an important point about the Indiana study, and there was also a study in this country. The Building Research Establishment conducted some modelling in 2005 and found that advancing the time by one hour would increase energy consumption and CO_2 emissions by 2%. That is why the investigation into the energy consumption is extremely important.

Mr Chope: I am grateful to the hon. Gentleman for taking the opportunity to explain a bit more about his amendment.

Bob Stewart: I accept that point, but my hon. Friend must also accept that there is other evidence. For example, in London, there will be an annual reduction of 80,000 tonnes of CO_2 and energy savings of £20 million a year.

[Bob Stewart]

We do not know the facts, which is all the more reason why we should have a trial to find them out as best we can.

Mr Chope: In that case, my hon. Friend will obviously be very supportive of amendment 12. It would ensure that the facts to which he has just referred would have to be examined by the independent panel. I am sure that our hon. Friend—if we can call him that as a member of the coalition—the Member for Argyll and Bute would be very supportive of the view taken by my hon. Friend the Member for Beckenham (Bob Stewart). I hope that amendment 12 will find favour with the Government and with the promoter of the Bill.

That brings me to amendment 23, tabled by my hon. Friend the Member for Shipley, which would require the independent oversight group to have at least one member from each of England, Scotland, Wales and Northern Ireland. That seems eminently sensible, because what can the Bill's promoter or the Government have against having somebody from each of the four nations of the United Kingdom represented on the group?

Jacob Rees-Mogg: Will my hon. Friend assure me that if that amendment were passed, the representative from England would come from Somerset?

10.45 am

Mr Chope: I should have anticipated my hon. Friend's intervention; I am sure that the Government would wish to receive representations and would be very sympathetic towards representations along those lines. Let us hope that that is so. As somebody who spent quite a lot of my late childhood in Cornwall, I think it would also be useful to have a representative from England who came from the far south-west, as the circumstances there are rather different from those in what might be described as the soft south-east. I do not know what, if anything, the Government have against the amendment. I know that in Committee it was proposed that the independent panel should have three experts from each of the four nations comprising the United Kingdom. This amendment is modest in comparison, but it introduces a worthwhile safeguard to ensure that any report is fully informed by the perspective of all parts of the United Kingdom.

Amendment 95, tabled by my hon. Friends the Members for Shipley, for Hendon (Mr Offord) and for Hertsmere (Mr Clappison) and others, addresses the same issue as amendment 58 in slightly different language. The amendment talks about the impact and effect on the practices of the mainstream faith groups in the United Kingdom. It is a very sensible amendment although, as with amendment 58, if my amendment 59 were agreed, it would be redundant.

Amendment 5, tabled by my hon. Friend the Member for North East Somerset and supported by my hon. Friend the Member for Shipley, me and my hon. Friends the Members for Wellingborough and for Gainsborough, would leave out clause 3(2). Clause 3(1) requires the Secretary of State to publish the report of the independent oversight group within one year of Royal Assent, but subsection (2) gives the group a possible additional six months. Why? Why do they need an additional six months? If amendment 59 were accepted, the group would have less work to do but, in any event, surely one year is long enough for its work. If the group's members know that they have a chance of extending their work by another six months, they might be tempted to do so, but they should get down to the work they are being asked to do. In this country, we have a tendency to delay and delay and to think that that is a solution to our problems. As I said earlier, last weekend I was in Kazakhstan, where they have built a new city of 800,000 people in less than 15 years. If they can do that in 15 years, why will it take more than a year for this group to consider such a modest issue? We tolerate delay to far too great an extent and if we want to get on with this, we should get on with it—I hope my hon. Friend the Member for Castle Point, who is promoting the Bill, would agree—for better or for worse. We should not, however, use the delaying tactic.

That brings me to amendment 25. I am rushing through these amendments, but I think it is important to address them. Sometimes, the people who are impatient to take the debate forward try to move a closure motion, which means that Members with amendments in the lead group do not have a chance to speak about them before there is an attempt to curtail such debate by using the procedures of the House. What I am doing by going through these amendments seriatim is giving those who tabled them the opportunity to expand on them if they so wish. In any event, I am ensuring that the full nature and extent of the amendments is officially on the record so that if the Bill goes to the other place for debate, those who pick up these issues there will be able to look at the report of today's proceedings and decide which, if any, of the amendments find favour with them.

Amendment 25 would leave out "18" and insert "24" in line 14 of subsection 2(b). This is the only one of the amendments tabled by my hon. Friend the Member for Shipley with which I do not agree. I think it contradicts absolutely amendment 5, which he has also signed.

Philip Davies: My hon. Friend is right that it does, but the time scale for the independent oversight group surely depends on its terms of reference. The amendment was tabled in case the terms of reference were extended in the way I have requested, considering the impact on other faith groups, and the way the hon. Member for Argyll and Bute (Mr Reid) mentioned, considering energy consumption. If those amendments were accepted, the group would need longer to consider those issues, but if they were not accepted, the shorter period of time that my hon. Friend mentioned earlier would be more than acceptable.

Mr Chope: I am grateful to my hon. Friend for explaining the thinking behind amendment 25.

On the amendments relating to clause 4, amendment 60, is consequential on amendment 59. Clause 4 gives the Secretary of State the power to make an order advancing the time in the United Kingdom throughout the year by one hour. Following on from my lead amendment 59, amendment 60 would restrict that power to advancing summer time alone by one hour.

Amendment 67, in my name and those of my hon. Friends the Members for Wellingborough and for Gainsborough, would change the name of such an

order from a "daylight saving" order to a "summertime extension" order. That wording would promote both accuracy and transparency. Frankly, I object strongly to the expression "daylight saving" because it is against nature to be able to save daylight. I think the Bill's promoter is effectively committing daylight robbery of the English language in using that expression.

Sir Peter Bottomley: Was it not the expression that Sir Winston Churchill used when he brought in daylight saving during the war?

Mr Chope: The expression might have been used by that distinguished former leader of our country during wartime, but we know that in a wartime atmosphere people sometimes use expressions that are designed to raise morale but that might not be 100% in line with the English language. If that was what happened, and I have no reason to doubt my hon. Friend, that is probably what caused Sir Winston Churchill to lapse into that sort of language, which is not appropriate in legislation. I do not think my hon. Friend is suggesting that Sir Winston Churchill had that language incorporated in a piece of legislation.

That brings me to a group of 11 amendments that are identical to amendment 67, but I would be trying the patience of the House if I did anything other than say that those amendments—to lines 23, 28, 32, 36 and 40 of clause 4, to line 10 of clause 5, to lines 12 and 19 of clause 6, to line 34 of clause 8, to line 25 of clause 11 and to line 2 of clause 14—all change the wording from "daylight saving" to "summertime extension".

Amendment 72 in clause 9, line 4, would delete "time" and insert "summertime". Clause 9 addresses what happens at the end of any trial period, and the amendment would give the Secretary of State the option of advancing summer time by one hour permanently.

Amendment 61, in my name and those of my hon. Friends the Members for Wellingborough and for Gainsborough, in clause 12, page 4, line 35, would leave out subsection (1). Clause 12 is the interpretation clause and subsection (1) defines what is meant by the expression

"advancing the time for general purposes in the United Kingdom".

That is an extraordinary expression to incorporate in a piece of legislation. Clause 12 says that it means adding one hour to Greenwich mean time in the winter and one hour to summer time in the summer. As I hope is apparent from my introductory remarks, I regard adding an hour to Greenwich mean time in the winter as unacceptable—hence my amendment.

Amendment 79 is the last amendment to which I need to speak in the Chamber. *[Interruption.]* I hear people saying, "Hear, Hear," and I agree. It has taken much longer to discuss this group of amendments than I expected, but that is because of the lively interest that so many Members have shown in the content of the various amendments in the group. Amendment 79 would leave out subsection (8) of clause 12. In a sense, this is a completely different topic from anything I have spoken about hitherto. I do not know whether everybody has looked at subsection (8), but it provides that

"A duty under this Act to publish a document may be complied with by publishing it on an internet site."

I think that is wholly unsatisfactory. The issues raised in the Bill are far too important not to be the subject of physical, hard copy documents. Indeed, we have such documents before us today and they enable us to consider these issues and the amendments. I therefore think that hard copy documents relating to this very important issue should be available to individuals, organisations and businesses the length and breadth of the United Kingdom and that to publish such documents merely on an internet site would be a false economy.

Mr Nuttall: I completely agree with my hon. Friend. In view of the importance of this matter, can he assure me that that amendment will be pushed to a Division if it is not accepted?

Mr Chope: I cannot assure my hon. Friend about that, because there are a large number of amendments in this group and, ultimately, it is within the discretion of the person in the Chair—in this case the Deputy Speaker—to decide how many amendments he is prepared to allow a Division on. However, the point that my hon. Friend makes about this is very—

Mr Ellwood: On a point of order, Mr Deputy Speaker. I seek your guidance. Can you make a judgment on Standing Order No. 37—the Golding closure— please?

Mr Deputy Speaker (Mr Lindsay Hoyle): The hon. Gentleman would have to claim to move the closure under Standing Order No. 29. I think that might be his intention.

Stephen Phillips (Sleaford and North Hykeham) (Con): I beg to move, That the Question be now proposed.

Mr Deputy Speaker: Under Standing Order No. 29, I am required to put the Question on the motion that the Question be now proposed forthwith—this Standing Order was last used in 1987—unless it shall appear to the Chair that such a motion is an abuse of the rules of the House.

Question put forthwith, That the Question now be proposed.

The House proceeded to a Division.

Mr Deputy Speaker (Mr Lindsay Hoyle): I ask the Serjeant at Arms to investigate a delay in the No Lobby.

The House having divided: Ayes 119, Noes 10.

Division No. 430] **[10.58 am**

AYES

Afriyie, Adam	Buck, Ms Karen
Aldous, Peter	Buckland, Mr Robert
Alexander, Heidi	Burns, rh Mr Simon
Barker, Gregory	Collins, Damian
Barwell, Gavin	Colvile, Oliver
Bayley, Hugh	Davey, Mr Edward
Bell, Sir Stuart	Docherty, Thomas
Betts, Mr Clive	Dowd, Jim
Blomfield, Paul	Ellison, Jane
Bottomley, Sir Peter	Ellwood, Mr Tobias
Bradley, Karen	Fabricant, Michael
Bradshaw, rh Mr Ben	Field, rh Mr Frank
Brake, rh Tom	Field, Mark
Bray, Angie	Foster, rh Mr Don
Brine, Steve	Gale, Sir Roger
Brooke, Annette	Gapes, Mike
Bruce, Fiona	Gauke, Mr David
Bryant, Chris	Gibb, Mr Nick

Glen, John
Goldsmith, Zac
Halfon, Robert
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harris, Rebecca
Harris, Mr Tom
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Herbert, rh Nick
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hollingbery, George
Hollobone, Mr Philip
Howarth, Mr Gerald
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Jackson, Glenda
Jarvis, Dan
Jones, Andrew
Jones, Graham
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Kelly, Chris
Kirby, Simon
Knight, rh Mr Greg
Lazarowicz, Mark
Leech, Mr John
Lidington, rh Mr David
Lloyd, Stephen
Lopresti, Jack
Lucas, Caroline
Luff, Peter
Macleod, Mary
Malhotra, Seema
McCarthy, Kerry
McDonnell, John
Metcalfe, Stephen
Michael, rh Alun
Mordaunt, Penny
Morris, David
Munn, Meg
Munt, Tessa
Murray, Ian
Neill, Robert
Newton, Sarah
Nokes, Caroline
O'Brien, Mr Stephen
Owen, Albert
Pawsey, Mark
Penning, Mike
Penrose, John
Phillips, Stephen
Pound, Stephen
Randall, rh Mr John
Ruddock, rh Dame Joan
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Seabeck, Alison
Sheerman, Mr Barry
Slaughter, Mr Andy
Smith, rh Mr Andrew
Smith, Julian
Stewart, Bob
Syms, Mr Robert
Tami, Mark
Tredinnick, David
Vara, Mr Shailesh
Vaz, Valerie
Vickers, Martin
Villiers, rh Mrs Theresa
Walley, Joan
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whitehead, Dr Alan
Yeo, Mr Tim

Tellers for the Ayes:
Charlotte Leslie and Dr Phillip Lee

NOES

Baker, Steve
Bone, Mr Peter
Chope, Mr Christopher
Hosie, Stewart
MacNeil, Mr Angus Brendan
Offord, Mr Matthew
Rees-Mogg, Jacob
Reid, Mr Alan
Stewart, Iain
Whiteford, Dr Eilidh

Tellers for the Noes:
Mr David Nuttall and Philip Davies

Question accordingly agreed to.

Mr Chope: On a point of order, Mr Deputy Speaker. I was about to bring my remarks to a quick conclusion because I had already discussed all the amendments, but I can tell all those who supported the motion that I do not hold any animus against them.

Mr Deputy Speaker (Mr Lindsay Hoyle): Mr. Chope, you are such a magnanimous Member.

Sir Peter Bottomley: On a point of order, Mr. Deputy Speaker. May I briefly say that the issue underlying the amendments tabled by my hon. Friend the Member for Christchurch (Mr Chope) is whether we will align our waking hours and working hours to the available daylight? It is quite clear that we should do that and I hope that the amendment is rejected and that we move on to the other two groups of amendments.

Mr Deputy Speaker: I am sure that there will be no more non-points of order.

11.15 am

Rebecca Harris (Castle Point) (Con): I am sure you will be relieved to know that I will be brief, Mr. Deputy Speaker. The Bill strikes precisely the right balance on oversight without overburdening the working times of the House. I am mindful of the needs of religious communities and for their observances to be considered, as well as of the crucial importance of considering energy consumption. I envisage that that will be done in a robust, academically researched review, with a strong oversight committee to consider the matter, which will be vital to ensure public confidence in the research. We have already seen this morning that there are many different views on the potentialities of this measure in both summer and winter, so it is crucial that they be considered. That is why I oppose the amendments, and I urge the House to do so today.

Ian Murray (Edinburgh South) (Lab): I too will be brief. I just want to take the opportunity to pay a glowing tribute to the hon. Member for Castle Point (Rebecca Harris), who has brought the Bill to the House. She has conducted herself in a manner that every hon. Member should follow; she has been constructive in her dealings with the Government and the Opposition on the Bill, not just with regard to today's amendments, but in Committee at the beginning of December. She deserves great credit for introducing the Bill.

I hope that not too many Members feel that this is Groundhog day. As a new Member, I have not debated daylight savings before in the House, but many Members who have been here for slightly longer than I have will have had a number of such opportunities. As I said in Committee, I hope that we can conclude today's debate, reach Third Reading and get moving on the Bill before it gets dark. That in itself would be a great tribute to the Bill.

Mr MacNeil: Will the hon. Gentleman give way?

Ian Murray: I will not give way, if the hon. Gentleman does not mind, because we want to move on. It is important that the Minister hears the debate on the amendments in the first group, which relate to the independent oversight group that will look after how we go forward with the in-depth report. There have been calls for faith groups to be consulted, and that is important. The energy issues put forward by the hon. Member for Argyll and Bute (Mr Reid) should be at the top of the agenda. At a time when the Government are cutting too far and too fast and household incomes are—*[Interruption.]* It does not actually say that here, as someone claims from a sedentary position, but everyone in the country knows that the Government are going too far and too fast. Perhaps if those on the Treasury Bench would listen to Opposition Members, we might be a little further forward in terms of growth. I was making a serious point about energy, and such matters have to be taken into account.

The Minister has to be clear and specific about the role to be played by the devolved Administrations in putting together the report.

Mr MacNeil: Will the hon. Gentleman give way?

Ian Murray: I will not give way. The hon. Gentleman will have an opportunity to speak.

I commend the hon. Lady for bringing the Bill to this stage in the House and I hope that we can at least conclude its Third Reading this morning.

Mr Davey: I concur with the hon. Member for Edinburgh South (Ian Murray) in his praise for my hon. Friend the Member for Castle Point (Rebecca Harris). May I, laser beam-like and briefly, focus on the amendments?

Amendment 3 talks about the independent oversight group. The hon. Member for Christchurch (Mr Chope) seemed to misunderstand what the group is about. It is about providing the appropriate challenge to the evidence and methodologies to ensure that they are robust. Amendment 3, which would dispense with the independent oversight group entirely, would be a retrograde step. The Committee welcomed the way in which we had approached the issue of the oversight group.

The amendments that seek to change the membership of the group misunderstand the role of the group. They seek to suggest that it is about representation, when it is not. Trying to confine it to academics only would be a mistake. There might be an appropriate expert who might not be described as an academic. I hope the House will understand that the oversight group is formed in the right way with the right terms of reference. I am surprised that Members want to amend the terms of reference to make them more prescriptive, because that could narrow them down.

Members have talked about the faith impact. Amendment 95 is not needed, because it is clear that this is one of the qualitative potential effects that the report would look at. To reassure hon. Members further, I can say that specific legal provision requiring that the impact on faith communities be considered is unnecessary because the Secretary of Sate is subject to the public sector equality duty in the Equality Act 2010. So, in preparing the report and taking a view on whether to exercise the powers for a trial, the Secretary of Sate would be required under that duty to take into account the impact that a change might have on people of a particular faith and, indeed, on other people with protected characteristics.

Mr MacNeil: On a point of order, Mr Deputy Speaker. Is it in order for the Minister to speak so quickly that it is hard for him to be understood?

Mr Deputy Speaker (Mr Lindsay Hoyle): That is not a point of order. It is up to the Minister how quickly he speaks. We do not place a limit on how fast or how slowly Ministers speak, and thank goodness for that.

Mr Davey: Thank you, Mr Deputy Speaker.

I should like to speak to the lead amendment in this group, amendment 59, which seeks to turn the Bill into a summer time extension Bill by changing the dates on which summer time ends. I think that the hon. Member for Christchurch realises that that would not be compatible with the EU directive on summer time arrangements, which has been in force for many years. The House might wish to reflect—

Mr Chope: Will the Minister give way?

Mr Davey: No.

The House might wish to reflect—

Mr Chope: On a point of order, Mr Deputy Speaker. Can you advise me whether it is in accordance with the traditions and courtesies of the House for the Minister to refuse to give way to the proposer of the amendment under discussion?

Mr Deputy Speaker (Mr Lindsay Hoyle): Mr Chope, as a long-serving Member of the House, you know, as I do, that it is up to the Minister whether he gives way or not.

Mr Davey: I am showing the hon. Gentleman the courtesy that he showed to the other Members of the House who wished to speak on this matter.

The House might wish to reflect on the fact that, when the directive was passed, other member states changed their dates to coincide with those of the United Kingdom. I therefore do not think that we should change the nature of the Bill promoted by my hon. Friend the Member for Castle Point and amended in Committee. We should now proceed to debate the next group of amendments.

Paul Blomfield (Sheffield Central) (Lab): I had intended, along with my hon. Friend the Member for Sheffield, Heeley (Meg Munn), to speak in the debate this morning in support of the Bill, and to draw the House's attention to the South Yorkshire Safer Roads Partnership and to the impact that the Bill would have on reducing road accidents. I will not now do so, in the interest of saving time, but I would like to make the point that I have been lobbied on this issue by a wide variety of constituents. Unusually, I hope that they are not watching the debate today, because if they are, they will be appalled by the attempts of a tiny minority of Members to frustrate the overwhelming will of the House and of the country to support the Bill.

Jacob Rees-Mogg: I wish to speak to my amendments 3 and 5, and to speak more broadly to some of the other amendments tabled by my hon. Friend the Member for Christchurch (Mr Chope). However, I hope that I do not do so at such length that my hon. and learned Friend the Member for Sleaford and North Hykeham (Stephen Phillips) decides to move a motion to get me to shut up—the Commons equivalent of the Lords procedure to move that

"the noble Lord be no longer heard".

We have just heard from the Minister, and I listened to him with great interest.

Mr MacNeil: I am impressed that the hon. Gentleman listened to the Minister. Was he able to understand, or even catch, some of the words that he enunciated?

Jacob Rees-Mogg: I thank the hon. Gentleman for his question; it is always good to have an intervention from him. I did manage to understand the Minister—or at least, I think I did—but I was shocked by what I heard. Once again, we heard that this House must be craven in front of the great power that is the European

[Jacob Rees-Mogg]

Union. We cannot even set our own time any more without the say-so of our friends in Brussels, and that is a pretty sorry state to have got into.

Mr MacNeil: On the point about harmonisation with Europe, many people have mentioned the costs for businesses. Surely, however, that argument should apply in reverse. If the gains are so great, would not the Eurocrats want to change so as to be in the same time zone as the world financial centre that is London? Perhaps this reveals the lie in the argument: there is no gain. The gain would be greater for those on the other side of the English channel than for those on the north side.

Jacob Rees-Mogg: The hon. Gentleman makes an excellent point, as he so often does. Na h-Eileanan an Iar is enormously well represented in the House, and it is one of the great arguments for maintaining the Union that he should continue to have an audience here for his wise words. I wanted to propose the introduction of Somerset time, a new time zone for the world, which the Europeans could come over to. Sadly, however, my amendment was not selected, for reasons that I fail to understand. The mysteries of this place to a relatively new Member remain manifold.

I should like to speak briefly to amendment 59 before I come to my own amendments. It is a wonderfully wise amendment, because it understands that in the winter there is a shortage of daylight and that Greenwich mean time has the great advantage—a somewhat old-fashioned one, perhaps—of the sun being at its highest point at noon. This gives us an even balance of sunlight during the course of the day.

Mr MacNeil: The hon. Gentleman is making an important point. Surely midday is not called midday by accident. It is called midday because it is in the middle of the day.

Jacob Rees-Mogg: As always, my hon. Friend makes a wise and pertinent intervention.

There has been one occasion in history on which daylight was extended. Those hon. Members who are up on their Bible will remember their studies from their student days. They will recall the book of Joshua, chapter 10, verse 13:

> "And the sun stood still, and the moon stayed until the people had avenged themselves upon their enemies. Is not this written in the book of Jasher? So the sun stood still in the midst of heaven and hastened not to go down about a whole day."

That is really what amendment 59 is all about. It is about accepting what verse 14 goes on to say, which is that that happened only once; it was a once-in-a-lifetime occurrence. God allowed the sun to stand still in the heavens on that day only, and never again.

There is absolutely nothing that we can do about that. No great Act of Parliament or—dare I say it—regulation from the European Union can create more daylight. We are therefore faced with a simple choice in the winter. Do we get up in the dark and have teatime when it is a bit brighter, or do we have murky, dank, dark mornings—I am sorry, I meant that the other way round. Do we instead get up with a spring in our step and go to work with enthusiasm, full of beans and ready to face the world, and sacrifice a little bit of daylight at teatime?

In seeking to leave us on summer time, my hon. Friend's amendment would allow all the supposed advantages to be investigated, including having an extra hour of daylight in the evenings so that people could have their barbecues and all that sort of thing, but it would not upset the mornings. That is particularly important for our friends in Scotland, which is why I want to mention amendment 23.

Mr Chope: I am grateful to my hon. Friend for his support for my amendment 59. Did he notice that, when the Minister made his very brief response to my amendment, he completely misrepresented the effect that it would have? He suggested that it would alter the date on which summer time came to an end, and thereby cause problems with the European Union. He was wrong about that.

Jacob Rees-Mogg: There is another amendment, tabled by other hon. Members, that would have that effect. I take my hon. Friend's very valid point, however. He was not proposing to change the dates on which summer time comes into force.

Mr Tom Harris: I am enjoying the hon. Gentleman's contribution, although I am disappointed that he is being rather flippant about such a serious issue. He has mentioned the sacrifice of a spring in our step as we get up in the morning, as though that is the only sacrifice to be made. I am slightly more concerned about the number of road accidents in my constituency and throughout Scotland. The sacrifice of people's lives and health and the level of their injuries are slightly more important than whether we get up from our beds with a spring in our step.

Jacob Rees-Mogg: I have the greatest respect for the hon. Gentleman and, had I thought that he would welcome it, I would have supported his candidacy for the Labour leadership in Scotland. I kept very quiet about that, however, because I thought that I might do him more harm than good.

As has been pointed out by other Members, particularly my hon. Friend the Member for Na h-Eileanan an Iar (Mr MacNeil), it is easy to argue about such statistics. Given the general trend in the reduction in the number of casualties on the roads, the arguments are not as straightforwardly causal as some suggest.

Iain Stewart (Milton Keynes South) (Con): My hon. Friend may be aware that the Select Committee on Transport, of which I am a member, is embarking on an inquiry into road safety measures. It will consider a range of matters, including speed limits and MOT tests. I think that it would be difficult to isolate the effect of changing daylight hours on the road accident figures.

11.30 am

Jacob Rees-Mogg: My hon. Friend makes an extraordinarily good and wise point. People sometimes see things happen and figures change, and then claim that A led to B. Somerset county council switched off all its speed cameras and the number of accidents fell

dramatically, but, much as I dislike speed cameras, it seems unlikely that in that instance A led directly to B. We should be enormously careful about advancing arguments based on theoretical statistics relating to what might happen when there is a strong general trend.

The key issue—I now return to the subject of amendment 59—is that of what people like. Why do we not learn the lessons of history? We have tried this before. We tried it during the war, but people did not like it, and as soon as the war ended we got rid of it. If it had been such a fantabulous idea, we would have retained it in the later 1940s, and in the 1970s.

Let us consider Portugal, our oldest ally and our ally since the treaty of Windsor in 1386. Portugal made this mistake. The Portuguese erred: they decided to abandon the proper time, as set by the sun, and get closer to Europe. That failed, and they reversed their decision.

Mr MacNeil: The hon. Gentleman mentions Portugal. Only yesterday, I discovered that according to Mr João Grancho, president of the national association of teachers in that country, the time change had

"generated irritability and inattention among the youngest and many fell asleep in class".

Of course they fell asleep: they had been woken in the middle of the night to go to school. That is exactly what would happen here if we were so foolish as to forget the lessons of 30 or 40 years ago.

Jacob Rees-Mogg: I am grateful for that invaluable intervention. I am sorry to say that I think that merely discussing this issue causes irritability among some hon. Members.

Mr Adrian Sanders (Torbay) (LD): A simple look at any map reveals that the whole of Portugal is far to the west of the United Kingdom. Were the United Kingdom on the same degree of longitude, I should be with the hon. Gentleman, but it is not, and therefore I am not.

Jacob Rees-Mogg: That brings me to amendment 23, which requires the consultation to include representatives from England—in brackets, Somerset—Wales, Scotland and Northern Ireland.

Mr MacNeil: As the hon. Gentleman may know, Na h-Eileanan an Iar—which he pronounces so well—is 7.5 degrees, or a full half hour, west of the United Kingdom. We are penalised for that as well as being to the north of the UK. We have a problem of both latitude and longitude.

Jacob Rees-Mogg: That is an extremely important point. If one is a Unionist—if one believes that this is one great country consisting of England, Scotland, Wales and Northern Ireland, and that we should be united as a single people—one has to maintain that if the poorest crofter in Na h-Eileanan an Iar is inconvenienced for a ha'porth of extra business in Cornwall, that is most unreasonable, because it has a disproportionate effect on our friends and allies in Scotland.

Robert Halfon: I was surprised when my hon. Friend defended communist China, as opposed to the land of the free. I do not understand why he is against the operation of different time zones in the same country, given that according to evidence in the United States and elsewhere, they need not prevent countries from remaining entirely united.

Jacob Rees-Mogg: My hon. Friend has already heard me say that China is very big. It must be acknowledged that the United States is also quite big, although not as big as China. For a huge country to operate different time zones is one thing, but when I proposed that Somerset should have its own time zone—because it struck me as perfectly rational that time should be set from the centre of the universe—my proposal was considered slightly eccentric. It was felt that the United Kingdom should not be divided in that way. I do not see why, if this is not considered appropriate for Somerset, we should suddenly do it to Scotland.

I also think it hugely important symbolically to our standing as one country for there to be no difference in time in different parts of that country. The Bill, as it stands, seeks to ignore the Union for the sake of some rather narrow and selfish benefits that are, in fact, trivial in comparison with the great history and breadth of our country's tradition.

Mr MacNeil: I am concerned by the suggestion that a shared time zone enables us to live happily together in one country. We can live happily in many countries together. I believe that the Republic of Ireland proves that point. I hope that we are not seeing any hint of a return of 19th-century imperialism, or any wish for the Republic of Ireland to be ruled directly from the House of Commons.

Jacob Rees-Mogg: As it happens, I think that it would be good manners to consult the Republic of Ireland as well, because the Irish economy is very dependent on the UK economy. I should like to see that covered in the Bill, although it is not mentioned in the amendment. As I have said, a rather selfish approach has been taken .

Damian Collins (Folkestone and Hythe) (Con): My hon. Friend has spoken of the importance of obtaining a spread of opinion, including the views of people living in the extreme north-west of Scotland. Should that spread of opinion not include people living in places such as Dungeness in my constituency, which is in the extreme south-east of England? The fishermen there might welcome the time change.

Jacob Rees-Mogg: Of course we should take into account the views of the whole country, but the real problems come in some of the furthest-flung parts that are the most remote from us in Westminster, where people's livelihoods may require them to get up earlier in the morning.

At one point, I felt that much of the Bill was aimed at lie-abeds—those who do not get up very early in the morning, but snooze on, remaining fast asleep in a relaxed and happy way. Many people get up in the winter at times when it would be dark not only until they had got up, had their breakfast, shaved and so forth, but by the time they had reached the office, even if they had quite long commuting times. All those people are being ignored.

[Jacob Rees-Mogg]

I return to the issue of the Union. What we need—and amendment 23 represents this—is a clear view of the effects that the Bill would have in Northern Ireland, Scotland and Wales as well as in London.

Mr Tom Harris: At the risk of extending the hon. Gentleman's speech, may I point out that he is pursuing a false path by suggesting that the Bill is in some way anti-Scottish—that it is somehow against the interests of Scotland? I support it because I, as a Scottish MP, believe that it will benefit my constituents and my compatriots in Scotland. It is ridiculous, and very dangerous, to conjure up some kind of false division, or false sense of grievance. The hon. Member for Na h-Eileanan an Iar (Mr MacNeil) is very good at that, but the hon. Member for North East Somerset (Jacob Rees-Mogg) should be very careful about going down the same path. This is not about Scotland versus England; it is about considering the evidence for a case for improving the lives of people throughout our nation.

Jacob Rees-Mogg: I am very interested by what the hon. Gentleman says, but if it were simply a case of looking for the evidence, the Government could do that anyway. The Government produce Green Papers, White Papers and discussion documents, and set up inquiries that publish reports. If every one of those required a private Member's Bill to be passed by the House, we would be saved a large number of inquiries.

Philip Davies: If the Bill is not anti-Scottish and if people are happy with it, there will be no problem with ensuring that the oversight group contains members from all four parts of the United Kingdom. Does my hon. Friend agree that if the hon. Member for Glasgow South (Mr Harris) is right, the amendment should be accepted by all Members, regardless of whether they support the Bill?

Jacob Rees-Mogg: That is an excellent point. I hope that it was heard by my hon. Friend the Member for Castle Point (Rebecca Harris), because she is one of the wisest Members in the House, and has handled the Bill with so much charm that she almost persuaded me to support it. Perhaps she and the Bill's sponsors will accept amendment 23.

Dr Whiteford: As the hon. Member for Glasgow South (Mr Harris) pointed out, there is a range of opinion in the nations, as one would expect. In that sense, having one person from each of the devolved Administrations would by no means be an adequate way of taking into account the wide range of public opinion on these issues. As I understand it, time is a devolved matter in Northern Ireland, a consequence of the very asymmetric devolution across the islands. Northern Ireland will be very affected by this, but the Assembly effectively has the power of veto under the current devolution arrangements.

Jacob Rees-Mogg: I think that that wanders slightly beyond the parameters of this rather narrow amendment, although I do accept that there could be an unlimited number of people to try to represent all shades of opinion, but I think that it would be a good idea if the one person to represent Scotland represented the majority party in Scotland, which would clearly be sensible, and perhaps one or two hon. Members present would be able to volunteer to do that.

Thomas Docherty (Dunfermline and West Fife) (Lab): Will the hon. Gentleman give way?

Jacob Rees-Mogg: Of course I will—I have been waiting for the hon. Gentleman to ask.

Thomas Docherty: Does the hon. Gentleman mean the majority party in the Scottish Parliament, where the Scottish National party is the majority party, or here in Westminster, where Scottish Labour is clearly the majority party?

Jacob Rees-Mogg: On that occasion I meant the majority party in the Scottish Parliament, but I see the hon. Gentleman's point, so perhaps we should have two representatives from Scotland, which means we must also have two from Somerset, because Somerset would feel let down if the numbers were not maintained with the rest of the Union. *[Interruption.]* I did not quite catch the comment the hon. Member for Alyn and Deeside (Mark Tami) made from a sedentary position but will happily give way if he wishes to intervene.

I want to move on to my amendment 3, which proposes a cost-cutting measure, and I know that some hon. Members think that taxpayers' money should be spent willy-nilly and that part of our job here is to take money out of people's pockets and waste it, but I thought that we would get rid of the whole of clause 2, which sets out the independent oversight group. The relevant Secretary of State and President of the Board of Trade, the right hon. Member for Twickenham (Vince Cable), is known to be one of the wisest men in Parliament. Lenin's brain after his untimely death was kept for scientific research to see how such a great brain could operate and why it was different from other brains, and I am sure that this will happen in the sad event of the death of the President of the Board of Trade—may that day long be put off.

Mr Deputy Speaker (Mr Lindsay Hoyle): I do not think that Lenin's brain quite links with daylight hours in the UK.

Jacob Rees-Mogg: The reason I brought it up to be linked is that if we get rid of clause 2 the President of the Board of Trade, which can meet with a quorum of one, would then be able to consider the issue by himself. Such a great brain—a brain that competes with Lenin's and will be a matter of interest to scientific research—could consider this without the huge extra cost that might be incurred by paying the expenses of the members of the proposed oversight group, making facilities available to it and giving it written terms of reference.

Iain Stewart: Has my hon. Friend had an opportunity to quantify the cost to the public purse of such an oversight group?

Jacob Rees-Mogg: I have not, but I know that these things always cost more than is anticipated and that any great project, adventure or public spending scheme starts with the expectation that it will cost a few thousand pounds here or there, then a few tens of thousands, and

then a few hundreds of thousands. Before we know it, the experiment is in place and we find that the cost to the British people runs into millions. Would it not be better to get rid of this group of experts and give it, as I have suggested, to the President of the Board of Trade, who would then be able, should he so wish, to convene a meeting to discuss it.

The Board of Trade is one of those fantastically underutilised bodies in British public life. It is a Committee of the Privy Council, established in the reign of His late Majesty King George III, and it last met in 1986 to celebrate its 200th anniversary. If the president were to summon the board's members, it would have all the wisdom that the country would need to deliberate on this complex matter, because its members include His Grace the Archbishop of Canterbury, Mr Speaker himself—that would certainly set us on the right course—the First Lord of the Treasury, the Chancellor of the Exchequer and other Treasury Ministers. It would bring together a fantastic conference of wisdom and brain power—*[Interruption.]*

Mr Ellwood *claimed to move the closure (Standing Order No. 36).*

Mr Deputy Speaker (Mr Lindsay Hoyle): I am willing to accept the closure—the references to Lenin's brain finally persuaded me.

Question put forthwith, That the Question be now put.

The House proceeded to a Division.

Mr Deputy Speaker (Mr Lindsay Hoyle): I ask the Serjeant at Arms to investigate the delay in the No Lobby.

The House having divided: Ayes 122, Noes 10.

Division No. 431] [11.44 am

AYES

Afriyie, Adam
Aldous, Peter
Alexander, Heidi
Barker, Gregory
Barwell, Gavin
Bayley, Hugh
Bell, Sir Stuart
Betts, Mr Clive
Blomfield, Paul
Bottomley, Sir Peter
Bradshaw, rh Mr Ben
Brake, rh Tom
Bray, Angie
Brine, Steve
Brooke, Annette
Bruce, Fiona
Bryant, Chris
Buck, Ms Karen
Buckland, Mr Robert
Burns, rh Mr Simon
Collins, Damian
Colvile, Oliver
Cruddas, Jon
Cryer, John
Davey, Mr Edward
Docherty, Thomas
Dowd, Jim
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Fabricant, Michael
Field, rh Mr Frank
Field, Mark
Foster, rh Mr Don
Gale, Sir Roger
Gapes, Mike
Gauke, Mr David
Glen, John
Godsiff, Mr Roger
Goldsmith, Zac
Greatrex, Tom
Halfon, Robert
Hammond, Stephen
Hancock, Matthew
Hands, Greg
Harris, Rebecca
Harris, Mr Tom
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Herbert, rh Nick
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hollingbery, George
Hollobone, Mr Philip
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Jackson, Glenda
Jarvis, Dan
Jones, Andrew
Jones, Graham
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Kirby, Simon
Kwarteng, Kwasi
Lazarowicz, Mark
Lee, Dr Phillip
Leech, Mr John
Leslie, Charlotte
Leslie, Chris
Lidington, rh Mr David
Lloyd, Stephen
Lopresti, Jack
Lucas, Caroline
Macleod, Mary
McCarthy, Kerry
McDonnell, John
Metcalfe, Stephen
Michael, rh Alun
Mordaunt, Penny
Morris, David
Munn, Meg
Munt, Tessa
Murray, Ian
Neill, Robert
Newton, Sarah
Nokes, Caroline
O'Brien, Mr Stephen
Ottaway, Richard
Owen, Albert
Pawsey, Mark
Penning, Mike
Penrose, John
Phillips, Stephen
Pound, Stephen
Randall, rh Mr John
Ruddock, rh Dame Joan
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Seabeck, Alison
Sheerman, Mr Barry
Slaughter, Mr Andy
Smith, rh Mr Andrew
Stewart, Bob
Syms, Mr Robert
Tami, Mark
Tredinnick, David
Vara, Mr Shailesh
Vaz, Valerie
Vickers, Martin
Villiers, rh Mrs Theresa
Walley, Joan
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whitehead, Dr Alan
Whittingdale, Mr John
Yeo, Mr Tim

Tellers for the Ayes:
Mr Greg Knight and Karen Bradley

NOES

Bone, Mr Peter
Davies, Philip
Doyle-Price, Jackie
Hosie, Stewart
Nuttall, Mr David
Offord, Mr Matthew
Rees-Mogg, Jacob
Reid, Mr Alan
Stewart, Iain
Whiteford, Dr Eilidh

Tellers for the Noes:
Mr Christopher Chope and Mr Angus Brendan MacNeil

Question accordingly agreed to.

Question put accordingly, That the amendment be made.

The House proceeded to a Division.

Mr Deputy Speaker (Mr Lindsay Hoyle): I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 10, Noes 121.

Division No. 432] [11.59 am

AYES

Coffey, Dr Thérèse
Davies, Philip
Doyle-Price, Jackie
Field, Mark
Hosie, Stewart
MacNeil, Mr Angus Brendan
Offord, Mr Matthew
Rees-Mogg, Jacob
Stewart, Iain
Whiteford, Dr Eilidh

Tellers for the Ayes:
Mr Peter Bone and Mr Christopher Chope

NOES

Afriyie, Adam
Aldous, Peter
Alexander, Heidi
Barker, Gregory

Bayley, Hugh
Bell, Sir Stuart
Betts, Mr Clive
Blackman-Woods, Roberta
Blomfield, Paul
Bottomley, Sir Peter
Bradshaw, rh Mr Ben
Brake, rh Tom
Bray, Angie
Brine, Steve
Brooke, Annette
Bruce, Fiona
Bryant, Chris
Buck, Ms Karen
Buckland, Mr Robert
Burns, rh Mr Simon
Collins, Damian
Colvile, Oliver
Cruddas, Jon
Cryer, John
Davey, Mr Edward
Docherty, Thomas
Dowd, Jim
Ellison, Jane
Ellwood, Mr Tobias
Elphicke, Charlie
Fabricant, Michael
Foster, rh Mr Don
Gale, Sir Roger
Gapes, Mike
Gauke, Mr David
Glen, John
Godsiff, Mr Roger
Goldsmith, Zac
Greatrex, Tom
Gummer, Ben
Halfon, Robert
Hammond, Stephen
Hands, Greg
Harris, Rebecca
Harris, Mr Tom
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Herbert, rh Nick
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hollingbery, George
Hollobone, Mr Philip
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Jackson, Glenda
Jarvis, Dan
Jones, Andrew
Jones, Graham
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Kirby, Simon
Kwarteng, Kwasi
Lazarowicz, Mark
Lee, Dr Phillip
Leech, Mr John
Leslie, Charlotte
Lidington, rh Mr David
Lloyd, Stephen
Lopresti, Jack
Lucas, Caroline
Macleod, Mary
McCarthy, Kerry
McDonnell, John
Metcalfe, Stephen
Michael, rh Alun
Mordaunt, Penny
Morris, David
Munn, Meg
Munt, Tessa
Murray, Ian
Neill, Robert
Newton, Sarah
Nokes, Caroline
Nuttall, Mr David
O'Brien, Mr Stephen
Ottaway, Richard
Owen, Albert
Pawsey, Mark
Penning, Mike
Penrose, John
Perry, Claire
Phillips, Stephen
Pound, Stephen
Randall, rh Mr John
Reid, Mr Alan
Ruddock, rh Dame Joan
Rutley, David
Sanders, Mr Adrian
Sandys, Laura
Sheerman, Mr Barry
Slaughter, Mr Andy
Smith, rh Mr Andrew
Stewart, Bob
Syms, Mr Robert
Tami, Mark
Tredinnick, David
Vara, Mr Shailesh
Vaz, Valerie
Vickers, Martin
Villiers, rh Mrs Theresa
Walley, Joan
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whitehead, Dr Alan
Whittingdale, Mr John
Yeo, Mr Tim

Tellers for the Noes:
Mr Greg Knight and Karen Bradley

Question accordingly negatived.

Clause 4

POWER TO ADVANCE TIME BY ONE HOUR FOR TRIAL PERIOD

Mr Reid: I beg to move amendment 13, page 2, line 27, at end insert

'the Scottish Parliament and the Welsh Assembly'.

Mr Deputy Speaker (Mr Lindsay Hoyle): With this it will be convenient to discuss the following:

Amendment 30, page 2, line 31, leave out from 'must' to end and insert

'obtain agreement from the Scottish First Minister and First Minister of Wales.'.

Amendment 32, page 2, line 32, leave out 'not'.

Amendment 14, page 2, line 34, leave out paragraph (a).

Amendment 35, in clause 5, page 3, line 4, leave out 'three years' and insert 'one year'.

Amendment 85, page 3, line 4, leave out 'three' and insert 'two'.

Amendment 16, in clause 5, page 3, line 7, leave out 'March' and insert 'February'.

Amendment 17, page 3, line 9, leave out 'October' and insert 'November'.

Amendment 38, in clause 6, page 3, line 20, at end insert—

'(4) The Secretary of State must ask for reports from the Scottish First Minister, the First Minister of Wales and the First Minister of Northern Ireland on the trial period.'.

Amendment 92, page 3, line 21, leave out Clause 7.

Amendment 40, page 3, line 28, leave out Clause 8.

Amendment 70, in clause 8, page 3, line 30, leave out 'a later' and insert 'an earlier'.

Amendment 42, page 3, line 36, leave out from 'must' to end of line 37 and insert

'obtain agreement from the Scottish Parliament, Welsh Assembly and Northern Ireland Assembly.'.

Amendment 43, page 3, line 36, leave out from 'must' to end of line 37 and insert

'obtain agreement from the Scottish First Minister, the First Minister of Wales and the First Minister of Northern Ireland.'.

Amendment 78, in clause 12, page 5, line 15, leave out from '(N.I.))' to end of line 19.

Amendment 94, in clause 14, page 6, line 3, leave out

'on the day on which'

and insert 'two months after'.

Amendment 11, page 6, line 4, at end add—

'(4) If the trial period has not commenced before the dissolution of the Parliament in which this Act was passed, the Act shall thereupon be repealed.'.

12.15 pm

Mr Reid: I shall speak to amendment 13, which I view as an important and key amendment. It would mean that the trial could not proceed unless it had the support of every part of the United Kingdom. The Bill says that the trial cannot proceed without the support of the House of Commons, the House of Lords,

"the First Minister and deputy First Minister in Northern Ireland".

Unionists and nationalists in Northern Ireland effectively have a veto on this Bill. When it comes to other parts of the United Kingdom like Scotland and Wales, however, the Secretary of State has only to

"consult the Scottish...and the Welsh Ministers."

He does not need to obtain their agreement; all he has to do is consult them.

Other amendments would require the Secretary of State to obtain the consent of Governments and Ministers in Scotland and Wales, but it is always important to

remember that it is Parliaments and Assemblies, not Governments, that are elected to represent the people. In some cases, like Wales currently, a minority Government might be in power.

Mark Lazarowicz (Edinburgh North and Leith) (Lab/Co-op): The hon. Gentleman and I probably have different views on the substance of the Bill—many of the constituents who got in touch with me support it and I certainly hope it goes forward to the stage when a review and investigation can be carried out on the options—but does he agree that one way of dealing with the concerns raised in Scotland would be precisely to adopt his amendment? That is why I shall support it if a Division is called on it.

Mr Reid: I am grateful to the hon. Gentleman for his support. He makes the important point that the debate on the amendment is not about the substance of the Bill, but about whose consent should be required for it. I hope that hon. Members from all parts of the United Kingdom will support the amendment. Wherever an hon. Member comes from, I hope they will agree that a measure like this, which will have different effects on different parts of the UK, is so important that it should go forward only if it has the support of every part of the UK.

Philip Davies: I agree with the thrust of the hon. Gentleman's amendment. As he knows, I have tabled similar amendments, which I hope to be able to discuss. Will he explain why it is so important to him that Parliament as a whole—the Scottish Parliament as a whole, the Welsh Assembly as a whole—rather than the First Minister should be specified? The Bill in its present form seeks the agreement only of the First Minister in Northern Ireland, so why does the hon. Gentleman think the arrangements should be different for Scotland and Wales?

Mr Reid: I am grateful, because the hon. Gentleman raises an important subject. When my party was in opposition, I was a spokesperson on Northern Ireland for a few years. I am far from an expert on the Northern Ireland constitution, but one important element to remember is that what is called cross-community voting applies to passing motions or resolutions in the Northern Ireland Assembly. That means that a resolution has to be supported by a majority of both Unionists and nationalists. I was not expert enough on the workings of the Northern Ireland Assembly and its Standing Orders to draft an amendment that would cover the cross-community voting, but the Government amendment added to the Bill in Committee requiring the consent of the First Minister and Deputy First Minister in Northern Ireland means, in effect, that a majority of Unionists and of nationalists must support the Bill for it to go through. Both the First Minister, Peter Robinson, and the Deputy First Minister, Martin McGuinness, have been given a veto, so even if the Bill is passed by this Parliament, I am far from convinced that it would go any further, as it is odds on that one of those gentlemen would use his veto.

Mr MacNeil: This is a useful amendment, but may I set the hon. Gentleman's mind at rest by saying that I have a hunch that the First Minister and Deputy First Minister in Scotland might be of a similar mind?

Mr Reid: I have no doubt that they are, and I am sure that the hon. Gentleman is on much more intimate terms with the First Minister and Deputy First Minister in Scotland than I am. My relationship with them seems to involve exchanging letters, whereby they disagree with almost everything that I put to them. However, that is probably digressing a fair bit.

It is important to remember that getting a resolution through a Parliament requires the support of a majority of the Members of that Parliament, whereas Governments can be minority Governments. The First Minister in Scotland currently leads a majority Government, but the First Minister in Wales leads a minority Government, so it would be perfectly possible for the First Minister in Wales to support the Bill but for the majority of Welsh Assembly Members to oppose it. That is why it is very important that Parliaments and Assemblies decide, rather than Ministers, and why I specified the "Scottish Parliament" and the "Welsh Assembly" in my amendment, rather than Governments. Other amendments before us today would give this power to the devolved Administrations, and the hon. Member for Na h-Eileanan an Iar (Mr MacNeil) discussed an amendment in Committee that would have given the power to Scotland's First Minister or to the Scottish Government. Obviously, as a member of the same party as the First Minister, he might be happy with that approach, but my preference would be for the whole Parliament to make the decision.

Mark Lazarowicz: It may well be that by the time the order is presented by the Secretary of State here people will have had enough experience of a Scottish National party majority Government in Scotland to have replaced it after the next Scottish elections.

Mr Reid: I share the hon. Gentleman's view that that is likely to happen in 2016, but the time scale in the Bill is that the decision on whether to proceed to the trial will have to take place before then. However, the next group of amendments relates to what happens after the trial, and the happy circumstances that the hon. Gentleman describes may well have occurred by then and we may well be back to a minority Government in Scotland.

Mr MacNeil: The hon. Gentleman rightly says that I made a similar proposal in Committee to move these things to Scotland. I also tabled an amendment to the Scotland Bill to move these powers to the Scottish Parliament, but did he support me then?

Mr Reid: I voted against the hon. Gentleman's amendment, as it opened up the possibility of ending up with the time in Scotland being different from that in England. If we accepted his amendment, the Parliament here, legislating for England, could decide to advance time by one hour and it would obviously do so without consulting Scotland. The Scottish Parliament and the Scottish Government would then be presented with a fait accompli. They would have a choice of either having a different time zone in Scotland or copying what had happened in England and advancing time by one hour.

Mr MacNeil: I invite the hon. Gentleman to imagine a scenario in which the Prime Minister behaved in a high-handed manner, as he did last week, and bounced such a measure on Scotland. What would the hon. Gentleman do in such a situation?

Mr Reid: I voted against the hon. Gentleman's amendment to the Scotland Bill and I am still opposed to any amendment that would lead to different times in Scotland and England, simply because if a matter is devolved to Scotland, members of the Government here are perfectly entitled to consider only England when debating and voting on such matters. When something is a reserved matter and applies throughout the United Kingdom, I hope that all Members of the House will take into account all parts of the country.

Mr Tom Harris: Is it not the case that the hon. Member for Castle Point (Rebecca Harris) and the Government have gone to great lengths to ensure that Scotland is protected and that that protection and consideration for Scottish concerns would be completely wiped out in the case of independence, which would mean that England would be able to change its hours without any reference at all to Scotland, with all the negative effects that would have on trade between Scotland and England?

Mr Reid: I entirely agree with the hon. Gentleman. If the referendum proposed by the SNP in Scotland were to succeed, Scotland would have no say about the time in England. If the clock was moved forward by an hour in England, the situation to which I referred earlier would arise and the Scottish Government and Parliament would be presented with a fait accompli.

Mr Davey: Is my hon. Friend aware that the SNP said on its website, until recently at least, that it only wanted consultation on this issue and that it was not pushing for a veto?

Mr Reid: I am extremely grateful to my hon. Friend for that intervention. He shows once again the complete inconsistency of the Scottish Government. One minute, they ask for one thing and, if it is granted, they start huffing and puffing and complaining that the Government here are being anti-Scottish. In fact, the Government here have given the Scottish Government exactly what they asked for.

Mr MacNeil *rose—*

Mr Reid: I hope the hon. Gentleman will confirm that, as my hon. Friend the Minister said, all the Scottish Government wanted was to be consulted.

Mr MacNeil: I have not had a chance to look at the website recently, but is the hon. Gentleman saying that the Conservative Government are pro-Scottish?

Mr Reid: There is no Conservative Government. There is a Conservative-Liberal Democrat coalition Government and it is very pro-Scottish. That is why my hon. Friend the Minister tabled amendments in Committee to do what the Scottish First Minister had asked and make provisions for consulting the Scottish and Welsh Ministers. I believe that this House should go further than consultation and should allow the Parliaments to have a say in these matters. It is important that Parliaments decide such matters, not Ministers.

Mr MacNeil: Will the hon. Gentleman answer the question I asked earlier? If this House were to bounce an unpopular change of time zone on Scotland, what would the hon. Gentleman do, given that he has ensured that the Scottish Government do not have the powers in their locker to ensure that we do not have a time change that will be very inconvenient, especially in the winter months, bounced on us?

Mr Reid: I have tabled this amendment so that the Scottish Parliament and Welsh Assembly will have to vote before any change goes through. The votes would have to take place before the start of the trial, and my amendment in the next group would mean that the same votes would have to take place after the trial and before the scheme could become permanent. The Government, as the Minister explained, have given the Scottish Government exactly what they asked for, so I do not understand why the hon. Gentleman is complaining.

Mark Tami (Alyn and Deeside) (Lab): The hon. Gentleman talks about the Welsh Assembly Government a lot, but has he actually consulted them on his amendment or spoken to anyone about it?

Mr Reid: I have not spoken to anybody in Wales, but I have spoken to plenty of people in Scotland. It is very important that we have devolution throughout the United Kingdom and I think Welsh Members would have been far more likely to complain had I tabled an amendment that simply gave the Scottish Parliament the right to a vote and not the Welsh Assembly. That would have meant more complaints from Welsh Members.

Mr Tom Harris: Further to the question asked by my hon. Friend the Member for Alyn and Deeside (Mark Tami), I note that the hon. Gentleman is daily in touch with Welsh Members of this House. What discussions has he had with them, if not with the Welsh Assembly Government?

12.30 pm

Mr Reid: The important people with whom I always discuss these matters are my constituents, and they are represented in the Scottish and UK Parliaments, not in the Welsh Assembly.

Jacob Rees-Mogg: I think that the inclusion of Wales in this amendment shows my hon. Friend's generosity of spirit. He is not being selfish about Scotland but is extending the benefits throughout the Union, which is to be greatly admired.

Mr Reid: I am extremely grateful to my hon. Friend for that intervention. I was slightly concerned that he was going to complain that I had not consulted anyone from Somerset, or included that county. *[Interruption.]* My right hon. Friend the Member for Bath (Mr Foster) reminds me that I did talk to him. I am afraid that I am not au fait with the boundaries of the historic counties in England, but I understood that my right hon. Friend came from Avon, but—

Tessa Munt (Wells) (LD): It is called Somerset.

Mr Reid: I must admit that I am not au fait with the boundaries of all the historic counties of England and I hope that hon. Members, whether they are from Somerset or Avon, if I am allowed to use that word, are not offended. I am grateful that my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg) did not hold it against me that I did not give the county of Somerset a veto.

Mr MacNeil: Of course, if the power were given to Wales, it would not have to be exercised, but it would be a courtesy to give the power anyway. There is great merit and sense in taking that approach.

Mr Reid: Yes, the hon. Gentleman makes an important point, which answers well the point made by the hon. Member for Alyn and Deeside (Mark Tami), who has left the Chamber and did not stay to hear that response. We would be giving the Welsh Assembly a right that they would not have to exercise.

Mr Chope: Does my hon. Friend share my concern that we could have consulted the Scottish people if the Bill had been allowed to proceed immediately after its Second Reading, as it could have been debated in the House prior to the Scottish election? The coalition Government decided not to allow the Bill to proceed until after that election. Does he think that was rather a cynical exercise by the Government?

Mr Reid: I had better not express any view on the Government's actions. I know they took nearly a year to bring forward the money resolution, but I shall merely comment on that in passing without expressing any view about motive. I always prefer to talk about the facts and not to ascribe motives.

Because of the geography of the United Kingdom and the effect that that has on when daylight occurs, it is important that the trial has support throughout the United Kingdom. Scotland, Wales and Northern Ireland are all both further north and further west than Greenwich. Being north of Greenwich means that we get fewer hours of daylight in the winter than Greenwich, and it is vital to make the maximum use of those few valuable daylight hours. Being west of Greenwich means that the sun rises and sets later than at Greenwich. The combined effect of being further north and further west means that sunrise is a lot later, and this Bill would make it a further hour later.

Although most of the United Kingdom is west of Greenwich, some parts are east of it. If the clocks were advanced by an hour, the difference in the east of the country between the time on the clock and the natural time—or pre-railway time as the hon. Member for North East Somerset would describe it—would be less than an hour. However, in the parts of the United Kingdom west of Greenwich the time difference would be more than an hour—significantly more in some places. That is why it is extremely important that the trial should have the support of all parts of the United Kingdom.

I was at school during the previous trial and I have a vivid memory of watching a beautiful winter sunrise from the physics lab at school, but then realising that it was nearly 10 o'clock and just how ridiculous it was for the sun to be rising about two hours before midday.

Mr Chope: The hon. Gentleman talks about the time when he was at school. Does he think anything has happened since to change the time at which the sun would rise, if there were a repeat experiment?

Mr Reid: No. As the hon. Member for North East Somerset said, there are limits to the powers even of the House or of the European Union. The basic laws of physics and astronomy have not changed in the past 40 years. The sun will still rise at the same time on the equivalent day of the year.

I shall give an example from my constituency. On the Isle of Tiree, if the change were made, it would be 10 am before the sun rose in the middle of winter. Further north and west, the sunrise would be even later—at 10.10 am in Stornoway and later still on the Isle of Unst in the Shetlands. To contrast that with Westminster, here even in the depths of winter the sun would rise at 9.4 am. That is more than an hour before it would rise in the northerly and westerly parts of the country. *[Interruption.]* The hon. Member for Glasgow South (Mr Harris) refers to the time the sun rises at present. Sunrise now is at 8.4 am; it would be 9.4 am with the proposed change.

Mr Tom Harris: I am sorry to delay the hon. Gentleman. I was making the point, albeit from a sedentary position, that the time difference between sunrise in one part of the country and another will always be the same. He was trying to imply that changing the clocks would somehow reduce the gap between the time that the sun rises in the south and in the north.

Mr Reid: I am grateful for that intervention. I am sorry the hon. Gentleman misunderstood the point that I was trying to make. Even in the depths of winter, sunrise here in London would be at 9.4 am. Because there is a period of twilight before sunrise and after sunset, children going to school in London even in the depths of winter would still be going in half-light, which is the present situation in Scotland. If the change were made, children in London would go to school in the half-light, but children in Scotland would go to school in complete pitch blackness, and it is important to remember that in country areas there are no street lights, so it would literally be pitch black when those children were going to school. At present even in the depths of winter in Scotland, children go to school in the twilight, but the Bill would make them do that in pitch blackness.

Mr Chope: Does my hon. Friend accept that, in effect, the promoter of the Bill concedes the points that he makes? What is proposed is that there should be two different time zones in the United Kingdom—one for Scotland, if people there wanted to keep things as they are now, and a different one for the rest of the United Kingdom. Does my hon. Friend not think that is absurd?

Mr Reid: It would indeed be absurd to have two different time zones within the United Kingdom. Hon. Members representing places such as Berwick and Carlisle would probably agree. I do not think there is any possibility of the Bill allowing that to happen, but it would be silly if it did.

I turn now to the road accident statistics. The surveys that took place at the time of the previous trial 40 years ago were inconclusive. That is not just my opinion. That was the view of the Home Secretary at the time, Reginald Maudling, who said:

> "The figures are not clear enough to base a decision upon."—[*Official Report*, 2 December 1970; Vol. 807, c. 1335.]

The reason for that is that the breathalyser was introduced at the same time, and there is no way of knowing how

[Mr Reid]

much of the fall in road accidents was due to the introduction of the breathalyser. If the fall had been due to the clock going forward an hour, once the experiment was abandoned and we went back to Greenwich mean time in winter, one would have expected the number of road accidents to increase. But that did not happen; it continued to fall. It has continued to fall simply because we design cars better, we have better road traffic legislation and we educate drivers better.

Mr MacNeil: The hon. Gentleman makes a very important point that is often cited. When we look at the data, we see that the graph falls more steeply after the trial, which almost indicates that the trial could have cost lives. Had the trial not occurred, that rapid descent showing the number of people killed in collisions on roads in Great Britain between 1968 and 1971 might have been steeper, meaning that some people who were killed in that period might still be alive today. It is a very serious issue.

Mr Reid: The hon. Gentleman makes an important point. The words of the Home Secretary of the day sum it up best; the outcome was inconclusive.

This point is relevant to the amendment because one figure that came out of the trial was that whereas during that period road deaths in most of country went down, in the north of Scotland, they went up, and it should be borne in mind that even after the introduction of the breathalyser road deaths in the north of Scotland went up. That is important because it shows that there are different impacts in different parts of the United Kingdom. Therefore, amendment 13 is important.

Iain Stewart: My hon. Friend makes an important point about the declining number of road accidents in the previous experiment. Current road traffic casualty statistics are still on a downward trajectory, which is welcome, but if we had this experiment, it would be difficult to disentangle the continuation of that downward trend, for a range of other reasons, from the effect of changing the clocks.

Mr Reid: My hon. Friend makes an important point. That is why the Home Secretary of the day concluded that the result was inconclusive.

I tabled amendment 14 to attempt a compromise. My concern is about the dark mornings in my constituency in the depths of winter that will result from the Bill. Passing the amendment would allow the investigatory body to look at other options. My preference would be to bring forward the spring clock change to the middle of February. The October clock change is at the right time because there are eight weeks before the shortest day. Logically, if there were eight weeks in the other direction, the clocks would go forward in the middle of February. The importance of that is that we would avoid the dark winter mornings, but still have the benefit of lighter evenings in March.

Other amendments give specific days for the change of the clocks, but mine is the most suitable because it would allow the investigating committee some flexibility. I realise that it would breach the European directive, so the Government could not make that change even if the investigatory group recommended it unless the EU changed the directive. However, it would be an important addition to the Bill to allow the investigatory group to consider the possibility of moving the clocks forward at an earlier date. If its investigations and consultations showed that that was the right move to make, the Minister could be sent to Brussels to try to negotiate a change in the European directive. I am sure that similar issues must arise in the rest of Europe, so that is an option that amendment 14 would leave open

Mr Chope: I understand my hon. Friend's point, but does he share my concern that his amendment is in danger of resulting in the perfect being the enemy of the good? His amendment is perfectly rational, but the reality is that the pressure to have harmonisation of clock changes across Europe is such that the alternative proposal that I put forward would be better than nothing, although not as good as his. Does he agree that my proposal just to extend British summer time and leaving GMT as it is should also be an option available to the committee?

Mr Reid: I think that you would rule me out of order if I spoke to an amendment that had just been voted down, Mr Deputy Speaker.

My amendment would open up other options. The Bill already gives a veto to both Houses of this Parliament, as well as to the First Minister and Deputy First Minister of Northern Ireland. I believe that the Scottish and Welsh Parliaments should also have a veto before the trial goes ahead. Consulting the Ministers is not good enough; the Scottish Parliament and the Welsh Assembly must decide. I therefore commend amendment 13 to the House.

12.45 pm

Mr MacNeil: I congratulate the hon. Member for Castle Point (Rebecca Harris). It is rare indeed for a Back Bencher's Bill to get so far up the parliamentary chain, and she has shown great grace and courtesy in my dealings with her on this issue. Her Bill has perhaps made such progress with the help of the Government, but it is none the less quite an accomplishment. Having said that, I will continue to subject it to intense scrutiny.

I believe that, when people experience the clock change, the head of steam raised by a small but dedicated campaign group will be dramatically outweighed. The 1970 Division in the House was passed by 366 votes to 81, and as I have said, that involved Members not only from Scotland and the SNP but from the north of England and everywhere else. Further south, Portugal has changed back after two experiments. We are in real danger of slipping much further with this; our guard might go down, and we might subject people to an uncomfortable winter.

Having spoken to representatives of the Royal Society for the Prevention of Accidents I tabled an amendment to deal with its concerns about safety, although I do not agree with some of its interpretations. However, if tabling the amendment will put the matter to rest, it is worth doing.

My concerns about the clock change are vast. I remain unconvinced about the potential benefits, and the losses are proven. Many of my concerns are based

on the data provided by the Lighter Later campaign, which argues that an extra hour of sunlight at the end of the day would be a panacea for the UK's problems. It claims that people would go outside more, consume less electricity, watch less television, eat better, sleep better, run and swim more, commit fewer crimes, be less afraid to go outside, spend countless billions on tourism and be involved in fewer car accidents. Those projections do not stand up to scrutiny at all, although the change is presented as the greatest thing since sliced bread—

Mr Harris: It sounds like independence.

Mr MacNeil: The hon. Gentleman gives me a great opportunity to say that independence will be better than sliced bread.

Mr Chope: Has the hon. Gentleman seen this little postcard-sized piece of paper, which claims that the Bill would

"boost the economy, make the nation happier, save lives, save carbon"?

It goes on to say: "Save the date". Is not that an example of the gross exaggeration that the supporters of the Bill are using in their tactics to get people to support it?

Mr MacNeil: The hon. Gentleman mentions the claim that the provisions would "make the nation happier". As a result of information that I received from Portugal, it occurred to me yesterday that a measure of happiness might be a country's divorce rate. So I got my researchers, Christopher Mullins-Silverstein and Xavier Solano, to approach the House of Commons Library and ask for the UK's divorce rate figures during the trial period from 1968 to 1970. There was a small but significant spike in the divorce rate, which fell back down again after the trial period was over. I am not sure whether the divorce rate is an indicator of happiness—I suppose it could be argued either way—but it certainly went up at that time. Perhaps the morning irritability that I have mentioned was present at the breakfast tables of the United Kingdom, and perhaps it tipped a few people over—

Mr Deputy Speaker (Mr Nigel Evans): Order. I hate to interfere with the hon. Gentleman's pursuit of happiness, but I think that we have got the gist of his argument. We understand that he is against the Bill, but I wonder which amendment he is speaking to at the moment.

Mr MacNeil: I am speaking to amendment 17, Mr Deputy Speaker. I think it important to set the context of the amendment, and that is what I am doing. Claims are made on one side and claims are made on the other, but I am a reasonable, generous and conciliatory man—[Hon. Members: "Hear, hear."] I thank my colleagues for that. I am prepared to inconvenience myself and give a little. I do not have an "all or nothing" mindset, and I have warned the Lighter Later supporters from the outset that if they take an "all or nothing" approach, they are likely to end up getting nothing. The olive branch is still extended.

Jacob Rees-Mogg: I wonder whether my hon. Friend has considered fully the problem of the European Union's not allowing us to proceed with the amendment under its directive. Does he feel that a "notwithstanding" clause might have been helpful to overrule the European Communities Act 1972?

Mr MacNeil: I think that European directives and rules are often perceived as guidelines by the continental and the Celtic mind, and—if I may be so bold—as commandments by the Anglo-Saxon mind. If we really intend to investigate the safety issues, a European directive should not be seen as a commandment that can override all such considerations.

Jacob Rees-Mogg: I wonder further whether my hon. Friend thinks that if we did have a big fight with Brussels over this, it would increase the happiness of the nation.

Mr MacNeil: That is a very interesting question. Debate, discussion and arguments can of course be invigorating, and can cause serotonin and other useful hormones to flow through the body. The hon. Gentleman may be on to something. I am sure that a considerable constituency in the country would be greatly cheered by a fight with Europe—myself included, certainly when it comes to fishing issues.

Let me return to the amendment, Mr Deputy Speaker. One of my main complaints is that most of the data used by the campaigns are based on simulations and estimates. Dr Elizabeth Garnsey, author of the report on daylight saving that has been used by Lighter Later, has said:

"the data that are being used in the BRE report are simulated data. They are illustrative data—that is, invented data. When you do a simulation of that kind your outputs are going to represent the input assumptions that you made."

In many senses, those data might not be real. However, I shall try to use only empirical data to prove my point.

The hon. Member for Christchurch (Mr Chope) was very concerned with the issue of happiness, as, indeed, was the hon. Member for North East Somerset (Jacob Rees-Mogg). I hope that I have pronounced his constituency correctly, as he pronounces mine so well: I hope that I have used the correct Somerset intonations.

On the issue of depression and sunlight, those leading the change campaign have said that more light in the evening can help to abate seasonal affective disorder and depression, using a 1993 study to prove their case. However, Professor Michael Terman, a PhD who works in the Department of Psychiatry at Columbia University in America, conducted a study this year that proved the exact opposite, and his findings were supported by Dr Malcolm von Schantz of the University of Surrey. Dr Terman found that darker mornings lead to increased depression, because the body's natural clock needs morning sunlight in order to operate properly.

Iain Stewart: The hon. Gentleman has raised an important point. Many people in my constituency, which is in the south-east of England, commute to London daily. Indeed, I was a daily commuter myself before I was elected. In the winter, doing both journeys in the dark is a pretty miserable experience, and I fear that the time change would subject more commuters to more misery in the winter.

Mr MacNeil: It is not just crofters in the outer Hebrides about whom I worry; I worry about the commuters of Milton Keynes as well. We are talking about human experiences, and it was not the people of the outer Hebrides who were responsible for the reversal of the time change; it was the good people of Milton Keynes, who were experiencing that particular misery over three winters. We should bear it in mind that the Bill commits us to at least 15 months of really dark winters, although I hope that my amendment will get around that to some extent.

To use the obvious example, how do we feel when we have to get out of bed on a dark and dreary morning, rather than when the sun is up? Our entire mood is changed because of the lack of sunlight. If the clocks are changed, nearly all of us will have to wake up and go out in the dark for a longer period of the year. As I said earlier, Portuguese children were found to be irritable and have poor attention, and according to the national association of teachers many fell asleep in the classroom. It is worth noting that this is damaging to young people's education and that divorce rates increase significantly, so even an experiment has dangerous consequences for many people. On energy consumption, we have heard from Lighter Later that there could be serious energy cost savings as a result of people not needing to consume energy in the evenings. As I stated on Second Reading, this is erroneous, because people would need to turn on appliances on colder, darker winter mornings.

Dr Whiteford: I am concerned about the winter morning issue. Last week my heating in London broke down and I did not even notice because the temperature here is so much higher than it is in more northerly parts. I think people would put on their heating during the coldest part of the night and also when energy is at its most expensive, which will have an impact on not only energy consumption but fuel poverty.

Mr MacNeil: My hon. Friend makes a good point. I know that the cold in Banff and Buchan is balanced only by the warm hearts of its people, and certainly by their good sense in yet again returning an SNP Member. Her points are well made and serious, and indeed they are backed up not only by her own experience, but by evidence from Indiana in the United States and from Portugal. The phones have been busy between my office and Portugal in the last wee while. Mr Rui Agostinho, director of Lisbon's astronomical observatory, the institution responsible for legal time in Portugal, has said that a company contracted by the European Commission at the time showed that the energy savings gained were ultimately lost with the increase of energy consumption during the morning.

Bob Stewart: Look, we have listened to this all morning. It is clear that we are not absolutely certain what would be the result of a change. Is it not terribly important for us to check by having a trial to determine whether we would actually save more lives and save more energy? All this talk should stop and we should just vote on it now and have the trial.

Mr MacNeil: I admire the hon. and gallant Gentleman's headlong enthusiasm, but we must reflect before plunging ourselves into 15 months of misery. It can be seriously argued that the change in the late '60s and early '70s cost lives, because the rate of road accident deaths did not go down as quickly during that period as it did in subsequent years. If I have to repeat myself again and again before that is understood, I will do so. If we disregard such a serious fact and run to a trial, surely we are putting people in danger.

Mr Davey: I have listened to the hon. Gentleman make the point several times about road safety in Scotland. Is he aware that the road safety officer of the Royal Society for the Prevention of Accidents in Scotland has stated on the record that it would welcome such a study?

Mr MacNeil: Many people would welcome the study for a number of reasons, and that organisation would welcome it because it would enable it to get the data. I am just saying that it looks as if the period for getting the data would itself be dangerous.

Jacob Rees-Mogg: Is not the obvious answer to the Minister that the Government could carry out a study any day of the week they felt like and do not need an Act of Parliament to do so?

Mr MacNeil: I thank the hon. Gentleman for a good point, well made.

Although some organisations might want the data to be gathered, the unfortunate side of gathering it is that the rest of us would be living in a laboratory.

Having seen, from looking at the graph in front of me, the line go down less steeply during the experiment than it did afterwards, and the significant change just afterwards, I cannot commit to an entire 15-month period. Being a reasonable man, however, I have looked on the ROSPA website, and the most dangerous month is November, so we should change the clocks, as my amendment seeks, from the end of October to the end of November.

1 pm

November is more dangerous than the darker months of December and January, and that says quite a lot about the darkness argument, but with November being the most dangerous month why do we not change just one month? We would commit ourselves, therefore, to three months of trials rather than 15 months. It might be an inconvenience during November, but as a result we would have a better December, January and February.

Mr Tom Harris: The hon. Gentleman shows a welcome, if surprising, flexibility, but does he not concede the principle of the Bill, which is to have a trial period to gather evidence? If he does concede that, we are really arguing only about periods of time, and surely a longer period will enable us to gather more evidence on which to make a long-term decision.

Mr MacNeil: I say that we should have a series of Novembers. As I have said, I am a conciliatory man, and I have extended an olive branch. Rather than plunge areas of the country north of Manchester into darkness for two months a year, with no sunrise before 9 am, I say, okay, there is an ongoing argument for gathering data, so let us gather data in November, the most dangerous month, instead of over five months of

winter and for 15 months in total. We could reduce the inconvenience to 20%, and I am fairly confident that, once we introduce those three months, once we have the attendant misery and once we see what comes of that, lighter evenings will not be seen to have such great benefits after all. We will get the taste of the inconvenience without going through the utter misery of an entire winter period.

Bob Stewart: Why is the hon. Member for the islands of Scotland, where I, too, came from once, confident that the month of November will give him the results that he expects? He does not know, and the best way of finding out is to have a flipping trial.

Mr MacNeil: Well, if the hon. Gentleman—

Jacob Rees-Mogg: On a point of order, Mr Deputy Speaker. Will you rule on whether the word—if I may utter it myself—"flipping" is parliamentary?

Mr Deputy Speaker (Mr Nigel Evans): Do you know, I think that that word is on the cusp—a bit. It offended me, a little, but I must say that in the heat of the moment I have heard a lot worse in this place.

Mr MacNeil: If the hon. Member for Beckenham (Bob Stewart), who advocated European harmonisation earlier, curbs his enthusiasm and goes to the ROSPA website, he will find that the month of November is the most dangerous month. It is by studying what ROSPA says that I have introduced the amendment.

Mr Chope: I recognise the generous spirit in which the hon. Gentleman has introduced the amendment, but has he thought through the implications once every seven years, when the clocks would change on St Andrew's day?

Mr MacNeil: If the clocks were to change on St Andrew's day, giving us an extra hour on that day, we might have a 25-hour St Andrew's day, which would probably be welcome, and—who knows?—I might get some form of promotion from the Scottish Government owing to my initiative of introducing a longer, 25-hour St Andrew's day.

I am looking for an opportunity, and the glass is half full. By extending this olive branch, I am presenting a half-full glass and an opportunity for the trial, with the other attendant benefits, but the concern that must be listened to most is the safety concern. It is not dealt with by the data, and it was certainly not dealt with by the graph after the trial in the 1970s. Indeed, the trial may have cost lives, so let us have only a three-month period of danger, rather than a 15-month one.

Mark Lazarowicz: I have tried to take all the amendments seriously and at face value. However, I suggest to the hon. Gentleman that it is odd for his party, which is so keen on the European Union, as indeed am I, to want the change of time to take place on a different date from that in the rest of the European Union, which, as we have heard, decided on a common date for changing time, following the example of the UK.

Mr MacNeil: I hear the hon. Gentleman's concern, but he is again looking for difficulties, whereas I look for opportunities and solutions in life. As I have said, I do not think that European Union directives should be seen as commandments. Surely it is not beyond the wit of man for European Union directives, which were constructed in a room by individuals, to be amended or improved. Surely the point of European directives—although perhaps experience shows otherwise—is that they should aid and improve our lives. If a European directive is causing difficulty in our lives, we should ask our Government to go to Europe to change it. We could then test out this measure and have some resolution. Rather than having 15 months of misery, changing the European directive could make the period shorter.

Mark Lazarowicz: The issue is not with a European directive. The fact is that the time difference between Scotland and the rest of the UK and Europe would change in October, and then travel and airline times would change again a month later. This is about the inconvenience for travellers, not about a directive or matters of principle.

Mr MacNeil: When the hon. Gentleman mentions Europe, perhaps he should consider a comparison between Paris and London, which are reasonably close to each other geographically. Paris has lighter evenings, but it has a higher accident rate. The factor of daylight does not appear to be the overriding factor in road safety; there are many other factors. The point is made time and again that the extra hour of daylight will be a panacea for road traffic deaths.

Mr Reid: The European directive is important because in the days before it, ferry and airline timetables were full of footnotes about countries changing their clocks at different times. The hon. Gentleman's amendments are also important in starting a consultation. After the consultation, if the consensus is for the change that he suggests, the Minister could then go to Brussels to negotiate it.

Mr MacNeil: There is eminent sense in the approach of talking, rather than rushing headlong into a miserable trial. That is where the real danger is.

In the period when the clocks were not put back in winter, the decline in the number of road deaths slowed. If last winter we had gone back to the number of road deaths that we had in the winter of the trial period between'68 and '71, there would have been three times the number of road deaths. We also now have faster cars and more cars on the road. The argument on safety, which is made with an air of moral certainty, has to be taken on and the data must be challenged. I hope that that is what I am doing. I do not like the moralising tone that is sometimes used towards me when I am looking after the interests of my constituents and the interests of young children and their education, particularly as those arguments are eminently challengeable.

Mr Offord: The hon. Gentleman is correct about the causal links in the accident rate. In my time at Barnet council, I oversaw a 40% reduction in the number of people killed or seriously injured. That had nothing to do with light or darkness; it was to do with removing speed humps and reconfiguring road junctions. It was those policies that reduced the KSIs in my area.

Mr MacNeil: The hon. Gentleman makes a good point. There is a danger that we will be distracted from the more important road safety issues if we imagine that the extra hour is a panacea. The measures that he

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mentions are probably far more important than the light at a particular hour, which is distracting far too many people when there are safety measures that need to be used.

I am struck by the fact that road deaths fell by 300 between the winter of 2009 and the winter of 2010-11. Had the moves in the previous Parliament to have lighter evenings during the winter succeeded, a causal link would have been drawn between the lighter evenings and the drop in deaths. As we now know, that reduction in deaths happened anyway, with darker evenings. It is dangerous to make assumptions and links between lighter evenings and deaths on the roads, particularly as the rate of deaths decreased immediately after the study of the late 1960s and the '70s. Perhaps that study delayed the rate of the decrease.

I move back to energy. The data used to support the changes seem to have a serious flaw. The campaign's main source of data is 24 studies on the effect of lighter evenings. Of those 24, only six were empirical studies and the rest were simulations. The paper examining them found that 15 studies concluded that there were energy savings. Of those 15, approximately two were empirical studies and 10 were simulations. The odd thing about the simulations is that they showed savings of 0.2% and 2%, and another study showed a saving of 0%. Surely a 0% saving could also be called a 0% loss. The information that we have from Indiana, Portugal and elsewhere shows that energy would be lost, not saved, if the change was made, and there would not be safety gains.

As for tourism, my amendment suggesting that the studies be carried out in November would ensure that it could not benefit from another month of "lighter later". That would be a perfect compromise for many of us who need to find consensus, extend an olive branch and find middle ground. I fear that an all-or-nothing campaign would yield exactly nothing.

Mr Davey: These amendments address the role of the devolved Administrations, and I therefore think it would assist the debate if I explained how the Bill's provisions would affect the devolution settlements.

The subject of time zones is devolved in respect of Northern Ireland but reserved in respect of Scotland and Wales. However, as I have said before, the Government believe that the issue requires UK-wide consensus. The Government will consult the Welsh and Scottish Governments fully on any proposed trial or any proposal to make a trial permanent. The Government would not expect to proceed with a trial if, following those consultations, there was clear opposition from any part of the country.

While we are on the subject of devolution I will say that I believe there may have been some confusion in Committee about the position regarding legislative consent motions of the Northern Ireland Assembly. Such a motion is required in respect of this Bill, not in respect of a daylight saving order. The motion is required before the Bill completes its parliamentary passage. We approached the Northern Ireland Administration about taking the matter forward, and the Government's continued support for the Bill depends upon the legislative consent motion being passed in due course. That will have no effect on the Bill's provision requiring the agreement of the Office of the First Minister and Deputy First Minister in Northern Ireland, which reflects the point that time is devolved in respect of Northern Ireland.

As I said, the position of the Bill reflects the devolution settlement. Consultation with the devolved Executives is common, and it is appropriate in this instance. It would allow for discussion to take place on the issues involved and on any concerns. Moreover, the devolved Governments are accountable to their legislatures.

Mr MacNeil: The Minister and I discussed this matter back and forward at some length in Committee. Given the measures that he is outlining, would it be possible for the Government here in Westminster to override the wishes of the Scottish Government?

Mr Davey: We have made it clear that that is not our intention, and that we will listen to all parts of the United Kingdom. We would not expect to proceed if there were clear opposition from other parts of the UK. The devolved Governments may wish to put the matter before their Parliament or Assembly, but that would be a matter for them. For that reason, we think that amendment 13, tabled by my hon. Friend the Member for Argyll and Bute (Mr Reid), is inappropriate. We consider it a matter for the devolved Administrations.

On amendments 16 and 17, my hon. Friend talked about changing the dates of summer time, but I have dealt with those issues in previous debates.

1.15 pm

Philip Davies: The Ministers says that he is determined that this will not go ahead without the agreement of people in Scotland and Wales, as well as Northern Ireland, so why will he not accept that being made clear in the Bill? If that is his intention, he has nothing to lose from making it clear in the Bill. He might be prepared to seek their agreement, but he might move onwards and upwards in the future, leaving someone else in his position, so we need a safeguard to ensure that his successors will adopt the same procedure.

Mr Davey: The position that I have set out is the policy of the Government, irrespective of whether I am the Minister responsible. I said that time is a devolved matter in Northern Ireland but not in Scotland and Wales, which is why we have adopted this formula.

Mr Chope: Will the Minister give way?

Mr Davey: No.

The Bill also provides for the devolved Executives to be consulted about any proposals to increase the trial period, and their views will be fully taken into account. The power to lengthen the trial will be available from the date of the report, and if the report indicated that a longer trial was necessary, that power could be exercised to lengthen the trial before the devolved Executives gave their view on whether to have a trial. That means that they would know then about the trial's expected length, so the amendment that suggests otherwise misses the point.

Asking for reports from the First Ministers, as proposed in amendment 38, is neither necessary nor appropriate. The Secretary of State will monitor the effects of the order for the whole country, and is the person best placed to do so, but the First Ministers would, of course, be welcome to submit anything that they might wish for the Secretary of State to consider. It would not be appropriate for the House, through this Bill, to require any report from the First Ministers or to impose any costs on them. After all, they are devolved Administrations.

Mr MacNeil: Would the devolved Administrations have full access to the data on which the report was based? Furthermore, we are getting Government policy from the Minister but I would be much more comfortable if it was written into the Bill.

Mr Davey: Of course, the devolved Administrations will have access to the report and the data on which it was based. That is how the Government have approached the whole issue. We have worked hard to get consensus at this stage, because we want consensus at all stages. I hope that the hon. Gentleman accepts that assurance. I have checked the record of the Committee stage, and it appears that I made it clear on no fewer than 13 separate occasions that the Government would not expect to carry out a trial or make any change if there was clear opposition from any part of the country. I hope that that reassures my hon. Friend the Member for Argyll and Bute and other right hon. and hon. Members. It is clear that we want consensus.

Dr Whiteford: I do not intend to take up too much of the House's time today. I regret that it is so easy to use the procedures of the House to inhibit rather than enable constructive debate on an issue that is so serious, particularly for my constituents in the north of Scotland.

When we debated this matter before, I approached it with an open mind. I thought that after 40 years it was important to consider the evidence, the changes since the last review and possible ways of moving forward. I was keen to speak on this group of amendments, particularly amendments 16 and 17, tabled by my hon. Friend the Member for Na h-Eileanan an Iar (Mr MacNeil), because I am concerned that exaggerated claims have been made for the outcomes of the Bill. When I looked at the evidence, I found that it did not always stack up: it seemed simplistic; it drew conclusions that could not be attributed to the evidence presented; most of it was theoretical and there was little empirical data; and, above all, it took little account of other attendant factors that might prove critical in the overall picture.

Any policy changes need to be based on the reality of geography, the environment and our body clock, not to put too fine a point on it. The reality for people in the north and west of these islands is that in the heart of winter we have only seven hours of daylight a day at most. People already go to and from school and work in the dark. The question is not just how we use the limited amount of daylight available to us; perhaps more importantly, it is how we minimise the inconveniences of that limited amount of daylight, and of working and living in the dark.

For me, the critical issue and the reason why amendments 16 and 17 are so important is that the dark days coincide with the cold winter months. It is not just the darkness; the cold compounds the effects of the dark. In more northerly parts and on higher ground, temperatures are significantly lower. The coldest time of day is the hours just before dawn, which is exactly when more people will be moving around, going to school or work, if the changes are introduced.

In Aberdeenshire, gritters grit our roads for seven months of the year. They do not do it every day, but from October to April we must protect our commuters from frosty roads, which are undoubtedly dangerous. One thing that has come out of the debate on these amendments and others is that it is hard to attribute road safety to factors involving daylight or darkness. It is much easier to say that a whole lot of other factors have an effect: driver behaviour, road conditions and, above all, weather conditions. These can be treacherous not just for drivers but for pedestrians. One need only look at an accident and emergency department on a morning when pavements are icy to see people with broken wrists, arms and hips. The dangers are real, and they are exacerbated in the hours before daylight when the ice has not yet melted. That is key, and it is why people in my part of the world feel so strongly about the issue. They do not want to expose themselves to more of the same.

Some of the other myths that need to be discussed a bit more include the myth about tourism. The great luxury of being on holiday is that people can get up exactly when they like and do whatever they like. If they are on a holiday involving field sports, they might get up in the middle of the night anyway, to optimise their use of time. By the same token, if they want to lie in until 10 or 11 am, they can.

I welcome the Government's approach in saying that they want consensus, but as other Members have said, unless there is something in legislation to pin the matter down, it is hard to have confidence in that kind of language. Both the amendment tabled by the hon. Member for Argyll and Bute (Mr Reid) and that tabled by my hon. Friend the Member for Na h-Eileanan an Iar—I do not know that I say that quite as well as the hon. Member for North East Somerset (Jacob Rees-Mogg)—seek those reassurances.

Mr Davey: Will the hon. Lady confirm that in the Bill we have done what the SNP asked us to do? What we said in Committee and in our press releases, and what I have reconfirmed today, goes further than the SNP asked us to, in order to ensure that we represented Scottish interests and got consensus.

Dr Whiteford: I absolutely recognise the progress that the Minister has made. It is good, but we need safeguards. I am not the only person who takes with a little pinch of salt some of Government Front Benchers' assurances. We would like the issue pinned down in a way that will give us assurances and alleviate some of the concerns of people in Scotland, who face a disproportionate negative impact from any trial that goes ahead. I would like some sort of trial to gather empirical data, and I think that the proposals made are one way to do so without exposing people to unnecessary risk.

Mr MacNeil: Does my hon. Friend feel, as I do, that the safeguards that we are looking for are a way of fixing the goalposts? At the moment, there is a danger—the Minister refused to say that it was not possible—that the Government might renege, change their mind, choose another policy or override Scotland. We just want the goalposts fixed so that we know the terms of reference. Then we could move on quite happily.

Dr Whiteford: That is right, and I agree.

I will conclude my remarks, because I know that other people want to speak. Ultimately, it is a quality of life issue. One thing that struck me after the last debate on the Bill was that a huge number of people from England, mostly older people who remember the last trial, got in touch with me by letter, phone or e-mail. They all said the same thing: "This was a disaster when they did it in the '70s." They found it miserable getting up, going to work and delivering things in the dark. People who remember it did not like it. Ultimately, that has to be our arbiter: is this going to be helpful for our quality of life? I know that it is going to impact more on my part of the world than some other parts of these islands. For the sake of our health and well-being, we need to think carefully before messing around with something that might not need to be changed.

Philip Davies: I congratulate my hon. Friend the Member for Castle Point (Rebecca Harris) on getting her private Member's Bill this far. She has certainly got much further than I have with any of mine. I think mine got no further than being heavily defeated on Second Reading—largely by my hon. Friends! I also commend my hon. Friend for the way in which she has conducted herself, always remaining in good humour. In common with my hon. Friend the Member for North East Somerset (Jacob Rees-Mogg), I think she has great charm; I thought that she was charming only me, so I was disappointed to find out that she had charmed my hon. Friend as well!

I shall speak to the amendments I have tabled in this group, starting with amendment 30, which gets to the nub of the issue. It is similar to the amendment tabled by my hon. Friend the Member for Argyll and Bute (Mr Reid), who wanted to ensure that the Scottish Parliament and the Welsh Assembly agreed to any trial before it went ahead. My amendment would achieve something similar, but it relates to subsection (4) rather than subsection (3).

As the provision is drafted, we have the curious position whereby we have to

"obtain the agreement of the Office of the First Minister and deputy First Minister in Northern Ireland"—

something I wholeheartedly support—

yet only

"consult the Scottish Ministers and the Welsh Ministers."

I have heard the debate and heard the assurances both from the Minister and from my hon. Friend the Member for Castle Point that, as far as they are concerned, no trial will go ahead if there is opposition from Scotland, Wales or other parts of the United Kingdom. That is fine: I accept those assurances and I accept their intention. What we have to deal with, however, is what is in the Bill before us, and notwithstanding all the good intentions, that is not what the Bill says.

Mr MacNeil: While our debate has continued, another issue that I had not considered has been brought to my attention—that the provisions are anti-working mothers. A woman, Mrs Marybell Galbraith, who lived in Glasgow with her children in the '60s, e-mailed me to say:

"My children and myself suffered from this"—

Mr Deputy Speaker (Mr Nigel Evans): Order. We are supposed to be debating the amendment tabled by Mr Philip Davies, which has nothing to do with the point that the hon. Gentleman is trying to make.

Philip Davies: Thank you, Mr Deputy Speaker. I will press on, as I am sure you and others would wish me to do.

If the intention of my hon. Friend the Member for Castle Point and the Minister is to get agreement from Scotland and Wales before a trial goes ahead, I fail to see any possible objection to making that clear in the Bill. The Minister said that he had made progress with the Bill in a way that maximised consensus. As far as I can see, consensus can win out. All it needs is for my hon. Friend and the Minister to say that they will accept my amendment so that

"agreement from the Scottish First Minister and the First Minister of Wales"

is obtained before a trial goes ahead. At that point, I can sit down and allow the Bill to progress. I see no reason why this should be a stumbling block, given that my amendment proposes the intention of my hon. Friend and the Minister in any case.

Mr Tom Harris: The Bill is carefully worded so as to respect the devolution settlement. Responsibility for changing the hours is devolved to the Northern Ireland Assembly, but it is not devolved to the Scottish Parliament and every piece of legislation that comes before this House must respect the Scotland Act 1998. As a pro-devolutionist, I firmly believe that, but the SNP wants to undermine devolution because it opposes it. The hon. Gentleman should be careful about aligning himself with the separatists.

Philip Davies: I have drawn exactly the opposite conclusion. What the hon. Gentleman says may be true in terms of the niceties of the legislation, but I understand that, like me, he wants to preserve the United Kingdom, and giving an additional safeguard to people in Scotland and in Wales is a much better way of safeguarding the UK than trying to railroad something through against the wishes of those people and using some legal nicety to try to justify that action. That is not a sensible approach.

1.30 pm

Mark Lazarowicz: I agree with the hon. Gentleman on this point. It is not separatists who say that they want to give more powers within the existing devolution settlement to the Scottish Parliament and the Welsh Assembly, and therefore I hope that his amendment is successful.

Philip Davies: I am grateful to the hon. Gentleman for his support, and I am pleased that he accepts that I am trying to entrench the Union and make people in Scotland and Wales feel more part of it.

Jacob Rees-Mogg: Will my hon. Friend give way?

Philip Davies: I will give way one last time, but then I want to make progress.

Jacob Rees-Mogg: I just wondered whether my hon. Friend had noticed the time on the clock, because had the Bill already come into force, the debate would by now have ended.

Philip Davies: I am grateful to my hon. Friend for that observation.

My amendment 35 deals with the length of the trial period, which the Bill proposes should be three years. I return to the point that my hon. Friend the Member for Christchurch (Mr Chope) made earlier about a city in Kazakhstan that had been built in 15 years; we seem to need three years to conduct this trial but I do not see why it needs to last that long. His amendment 85, in this group, recommends reducing the period to two years, which I would welcome. However, my amendment 35 urges the promoter of the Bill to reduce the trial period to just one year, because we can get a perfectly good flavour of what is going to happen in that time. Of course there would then be the opportunity, if everyone so wished, to carry out another trial beyond that period. I do not see why we should be boxed into having a three-year trial, as that is totally unnecessary.

My amendment 38 deals with the monitoring of the effect of the order. Clause 6, to which my amendment relates, provides for a situation in which the Secretary of State monitors the effect of the order "throughout the period" and then lectures all the parts of the United Kingdom—the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly—on his conclusions and, therefore, what he thinks should happen. My amendment merely asks that reports are also sought from the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly, so that they can equally make it clear what their report on the trial is. Rather than just having the Secretary of State laying down the law, it is only fair that we let those parts of the United Kingdom not only have their say but be seen to have their say, which is not the case at the moment.

Amendment 40 would delete clause 8, which relates to the power to increase the length of the trial period. I think that a trial period of three years is on the excessive side, so I obviously find it nonsensical to have a clause that then gives a power to extend the trial period. The period is already too long, so we should delete any clause that gives a power to increase it; we really should be able to make a decision after three years.

I repeat that I am most concerned about amendment 30, but I am aware that amendment 40 may not be accepted—I do not know whether it will be or not. If it is not accepted by my hon. Friend the Member for Castle Point and the Minister, two further amendments I have tabled—amendments 42 and 43—would provide the House with an alternative. Basically, before an order is made to extend the trial we should either gain agreement from the Scottish Parliament, the Welsh Assembly and the Northern Ireland Assembly—along the lines of the amendment promoted by my hon. Friend the Member for Argyll and Bute—or we should obtain agreement from the First Minister in Scotland, the First Minister in Wales and the First Minister in Northern Ireland, whichever option the House prefers. It seems to me that if we want to obtain the agreement of the Scottish Government or Ministers or the Welsh Government or Ministers before we start a trial, and if we want a clause that gives the power to increase the length of the trial, we must go through the same process to ensure that we are not railroading something through against the wishes of those people.

I do not know whether my hon. Friend the Member for Argyll and Bute was satisfied by the Minister's response on amendment 13.

Mr Reid *indicated assent.*

Philip Davies: He is a much more generous man than I am, and I am sure that he has taken the Minister's word at face value. I would be the first to accept that I am more cynical. I have seen evidence of Ministers saying one thing with the best intentions in the world and then it did not quite turn out that way. I heard Ministers say that they were going to have a referendum on the Lisbon treaty, but when it came to it they did not. I do not want just to rely on the word of the Minister, although I accept the good faith in which he made his point. He might move on to pastures new, however, and the Bill does not mention the Government's view. It says what the Secretary of State will do, not the Government. The Minister might well be expressing the intention of the current Secretary of State, but before we get to any trial we might have a different Secretary of State who holds a different view and comes from a different party.

Mr Reid: I am very grateful to my hon. Friend for giving way. For the avoidance of doubt, I want to put it on the record that I am delighted to accept the assurances that my hon. Friend the Minister gave. I know that my hon. Friend the Member for Shipley (Philip Davies) is concerned that this might not apply to a future Secretary of State, but my hon. Friend the Minister gave his assurances on behalf of the Government, so they apply to any future Minister in the Government.

Philip Davies: That is very helpful. I feared that my hon. Friend was going in that direction, so I would certainly wish to press amendment 30 to a vote as it encapsulates the flavour of the lead amendment and would make that requirement clear in the Bill.

The Bill says that the Secretary of State

"must consult the Scottish Ministers and the Welsh Ministers."

That is slightly ambiguous, and I hope the Minister will confirm that the Scottish Ministers and Welsh Ministers are the Ministers in the Welsh Assembly and the Scottish Parliament and not the Ministers in the Scotland Office and the Wales Office. It would be perverse if the Secretary of State was consulting another Secretary of State to get something through that the Government wanted. I hope that the Government would be consulting a different body—the Scottish Parliament or the Welsh Assembly—but that is not entirely clear from the Bill or from the glossary of terms at the back of it.

Mr MacNeil: The hon. Gentleman's remark about the European Union reminded me of how things change in politics. I can remember in the last Parliament the Liberal Democrats walking out of the Chamber on the

[Mr MacNeil]

question of an in/out referendum. Now, the people who led that have found themselves in government and things have changed. Things could change again, which is why we need guarantees rather than intentions. We need the goalposts to be fixed so that we know exactly where we all stand.

Philip Davies: I agree and I am pleased that the hon. Gentleman clearly supports my amendment. Our job in this House is to ensure that we have proper safeguards in place, based not on wishy-washy assurances but on provisions on the face of the Bill. We do not want to find that when we have passed something we have been sold a pup on an issue that is too important to the future of the United Kingdom for a decision to be based merely on assurances. I do not want to go on as I do not want to test the patience of the House or of my hon. Friend the Member for Castle Point because she has conducted herself so well and I do not want to scupper the chances of our debating the next group of amendments. On that basis, I shall leave my comments there, but I want to make it clear that if the my hon. Friend the Member for Argyll and Bute withdraws his amendment I would like to pursue my amendment 30, which is the second amendment in this group.

Mr Greg Knight (East Yorkshire) (Con) *claimed to move the closure (Standing Order No. 36), but the Deputy Speaker withheld his assent and declined to put that Question.*

Mr Nuttall: I will not detain the House for long, Mr Deputy Speaker. We have had a long debate already on this group of amendments and I am conscious that a closure motion has already been requested, but I want to deal with some specific amendments in this group. Before I do so, let me reiterate the thanks I expressed to my hon. Friend the Member for Castle Point (Rebecca Harris) when the House considered the money resolution. She has shown exemplary courtesy and great determination to ensure that the Bill got to this stage. As I said in that debate, although I did not vote to curtail debate on Second Reading, I supported the Bill on Second Reading and I intend to vote today for amendments that will strengthen the Bill and help it to achieve its objectives. I appreciate that many people would like a trial to take place and I take cognisance of that regardless of my personal views about whether it is a good or bad thing permanently to change the time in this country.

Leaving aside for the moment lead amendment 13, because my hon. Friend the Member for Argyll and Bute (Mr Reid) has indicated that he is prepared to accept what the Minister has said about it, I hope that we will be given the opportunity to divide on amendment 30. At a time when the whole question of Scottish independence is rising up the political agenda in a way that it never has before, some of the Bill's provisions seem somewhat perverse. I can well imagine separatists in Scotland seizing on clause 4(4), which clearly treats Scotland, and indeed Wales, differently from Northern Ireland. I see no reason why we should not accept amendment 30 so that agreement is required from the First Ministers of Scotland and Wales.

Mr Chope: Does my hon. Friend accept that an alternative way of dealing with this problem so far as Scotland is concerned would have been for the Government to have moved an amendment to the Scotland Bill, which is still going through the other place, to make this issue a devolved matter for Scotland in the same way as it is devolved for Northern Ireland?

Mr Nuttall: That would, indeed, have been one way of dealing with this matter.

Although I support amendment 30, I strongly oppose amendments 35 and 85. I am often in favour of the amendments of my hon. Friend the Member for Shipley (Philip Davies) and, indeed, those of my hon. Friends the Members for Christchurch (Mr Chope), for Gainsborough (Mr Leigh) and for Wellingborough (Mr Bone), who tabled amendment 85. On this occasion, however, I am not in favour of their amendment, because I think we need a trial period of three years. If the trial is successful and the change proves to be of benefit and to achieve all that the Bill's proponents say it will achieve, that will lead to a permanent change in our time system that will affect every person in the country. Given those circumstances, it is only fair and reasonable that the trial should be for a minimum of three years. So I would oppose amendments 35 and 85 and stick to the wording of clause 5(1), which provides that the trial period be three years.

Amendments 16 and 17 highlight the fact that even our time is a matter that the European Union has felt it necessary to interfere with, and it has done so by means of European directive 200/84/EC.

1.45 pm

Mark Lazarowicz: Why does the hon. Gentleman feel obliged to bring anti-Europeanism into everything? I do not think the directive was opposed by the UK; I think the UK was one of the key supporters of a directive, so why suggest that it was forced upon us by Europe?

Mr Nuttall: I am grateful to the hon. Gentleman for his intervention. My view is that we should not be told what to do on any matter by the European Union. I have a very clear view on such matters. Many people in this country are not aware of the existence of the directive or of its effect. It is another example of the way in which the tentacles of the European Union extend into areas of life into which many people do not realise they extend.

There will be difficulty in ever achieving the aims of amendments 16 or 17, but in any event I think we should stick to the existing arrangement for changing the clocks in March and October, despite the fact that that it means that my birthday is fairly often affected by the change in the clocks in the springtime when, as I think is the case this year, we jump on one hour and I lose an hour of my birthday.

It has been suggested that amendment 38 would result in extra costs being incurred. I am not so sure that it would. I strongly support the amendment. All it calls for are reports from the First Ministers of Scotland, Wales and Northern Ireland. They could simply write a brief letter saying, "Yes, we have considered the matter and everything is in order. There is no need to consult

us any further." Amendment 38 is sound and it would be sensible for it to receive the support of the House and be included in the Bill.

I oppose amendment 40. As I said about clause 5, in view of the importance of the matter, it makes sense to have a trial period of an appropriate length. If an increase in the length of the trial period is necessary, so be it. Let us have that increase.

Philip Davies: That is a perfectly respectable view for my hon. Friend to hold, although I might disagree. The question is about the basis on which we decide that we need a further period of trial. We seem to be leaving it to the Government and the Secretary of State to decide. We surely cannot have that, or the trial will be extended endlessly, which surreptitiously makes it a permanent fixture.

Mr Nuttall: My hon. Friend makes a good point, but I notice that clause 8(4) states:

"An order under this section is subject to affirmative resolution procedure",

so there would be some democratic oversight of the use of the power, which most people would find satisfactory.

Those are my thoughts and that is how I will be voting.

Mr Knight *again claimed to move the closure (Standing Order No. 36).*

Question put forthwith, That the Question be now put.

The House proceeded to a Division.

Mr Reid: On a point of order, Mr Deputy Speaker. I am happy to accept the reassurances that the Minister gave me during the debate, and I would therefore like to beg leave to withdraw my amendment.

Mr Deputy Speaker (Mr Nigel Evans): I am afraid that the hon. Gentleman is unable to do that. We are now voting on whether the question be now put, and if the decision of the House is that the question be now put, that is what I will do. If the question is negatived, the hon. Gentleman might have an opportunity later in the debate to withdraw his amendment.

There seems to be some delay in the No Lobby. I ask the Serjeant at Arms to investigate it.

The House having divided: Ayes 124, Noes 10.

Division No. 433] **[1.49 pm**

AYES

Afriyie, Adam
Aldous, Peter
Alexander, Heidi
Allen, Mr Graham
Barker, Gregory
Barwell, Gavin
Bayley, Hugh
Bell, Sir Stuart
Betts, Mr Clive
Blackman-Woods, Roberta
Blomfield, Paul
Bottomley, Sir Peter
Bradshaw, rh Mr Ben
Brake, rh Tom
Brooke, Annette
Bruce, Fiona
Buck, Ms Karen
Buckland, Mr Robert
Burns, rh Mr Simon
Coffey, Dr Thérèse
Collins, Damian
Colvile, Oliver
Corbyn, Jeremy
Cruddas, Jon
Davey, Mr Edward
Davis, rh Mr David
de Bois, Nick
Docherty, Thomas
Dowd, Jim
Efford, Clive
Ellison, Jane
Elphicke, Charlie
Fabricant, Michael
Field, rh Mr Frank
Fitzpatrick, Jim
Foster, rh Mr Don
Gale, Sir Roger
Gapes, Mike
Gauke, Mr David
Glen, John
Godsiff, Mr Roger
Goldsmith, Zac
Greatrex, Tom
Greening, rh Justine
Gummer, Ben
Halfon, Robert
Hammond, Stephen
Hands, Greg
Harper, Mr Mark
Harris, Rebecca
Harris, Mr Tom
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Herbert, rh Nick
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hollingbery, George
Hollobone, Mr Philip
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Jackson, Glenda
Jarvis, Dan
Jones, Andrew
Jones, Graham
Kaufman, rh Sir Gerald
Kelly, Chris
Knight, rh Mr Greg
Lazarowicz, Mark
Lee, Jessica
Leech, Mr John
Leslie, Charlotte
Leslie, Chris
Lidington, rh Mr David
Lloyd, Stephen
Lopresti, Jack
Lucas, Caroline
Macleod, Mary
McCarthy, Kerry
McDonnell, John
Metcalfe, Stephen
Michael, rh Alun
Morris, David
Munn, Meg
Munt, Tessa
Murray, Ian
Neill, Robert
Newton, Sarah
Nokes, Caroline
O'Brien, Mr Stephen
Ottaway, Richard
Owen, Albert
Paice, rh Mr James
Pawsey, Mark
Penning, Mike
Penrose, John
Perry, Claire
Phillips, Stephen
Pound, Stephen
Randall, rh Mr John
Reid, Mr Alan
Ruddock, rh Dame Joan
Sanders, Mr Adrian
Sandys, Laura
Sheerman, Mr Barry
Slaughter, Mr Andy
Smith, rh Mr Andrew
Stewart, Bob
Syms, Mr Robert
Tami, Mark
Tredinnick, David
Vara, Mr Shailesh
Vaz, Valerie
Vickers, Martin
Villiers, rh Mrs Theresa
Walley, Joan
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whittingdale, Mr John
Yeo, Mr Tim

Tellers for the Ayes:
Simon Kirby and
Penny Mordaunt

NOES

Bone, Mr Peter
Davies, Philip
Doyle-Price, Jackie
Hosie, Stewart
MacNeil, Mr Angus Brendan
Offord, Mr Matthew
Rees-Mogg, Jacob
Smith, Henry
Stewart, Iain
Whiteford, Dr Eilidh

Tellers for the Noes:
Mr Christopher Chope and
Mr David Nuttall

Question accordingly agreed to.

Question put accordingly, That the amendment be made.

The House proceeded to a Division.

Mr Deputy Speaker (Mr Nigel Evans): I ask the Serjeant at Arms to investigate the delay in the Aye Lobby.

The House having divided: Ayes 11, Noes 119.

Division No. 434] **[2.4 pm**

AYES

Bone, Mr Peter
Chope, Mr Christopher
Coffey, Dr Thérèse
Davies, Philip
Doyle-Price, Jackie
MacNeil, Mr Angus Brendan
Nuttall, Mr David
Offord, Mr Matthew
Rees-Mogg, Jacob
Smith, Henry
Stewart, Iain

Tellers for the Ayes:
Stewart Hosie and
Dr Eilidh Whiteford

NOES

Afriyie, Adam
Aldous, Peter
Alexander, Heidi
Allen, Mr Graham
Barker, Gregory
Barwell, Gavin
Bayley, Hugh
Bell, Sir Stuart
Betts, Mr Clive
Blackman-Woods, Roberta
Blomfield, Paul
Bottomley, Sir Peter
Bradshaw, rh Mr Ben
Brake, rh Tom
Brooke, Annette
Bruce, Fiona
Buck, Ms Karen
Buckland, Mr Robert
Burns, rh Mr Simon
Collins, Damian
Colvile, Oliver
Corbyn, Jeremy
Cruddas, Jon
Davey, Mr Edward
de Bois, Nick
Docherty, Thomas
Dowd, Jim
Efford, Clive
Ellison, Jane
Elphicke, Charlie
Fabricant, Michael
Field, rh Mr Frank
Fitzpatrick, Jim
Foster, rh Mr Don
Gale, Sir Roger
Gapes, Mike
Gauke, Mr David
Glen, John
Godsiff, Mr Roger
Goldsmith, Zac
Greatrex, Tom
Greening, rh Justine
Gummer, Ben
Halfon, Robert
Hammond, Stephen
Hands, Greg
Harris, Rebecca
Harris, Mr Tom
Haselhurst, rh Sir Alan
Heald, Oliver
Heath, Mr David
Herbert, rh Nick
Heyes, David
Hilling, Julie
Hodge, rh Margaret
Hollingbery, George
Hollobone, Mr Philip
Hughes, rh Simon
Huhne, rh Chris
Huppert, Dr Julian
Jarvis, Dan
Jones, Andrew
Jones, Graham
Jowell, rh Tessa
Kaufman, rh Sir Gerald
Kelly, Chris
Knight, rh Mr Greg
Lee, Dr Phillip
Leech, Mr John
Leslie, Charlotte
Leslie, Chris
Lidington, rh Mr David
Lloyd, Stephen
Lopresti, Jack
Macleod, Mary
McCarthy, Kerry
McDonnell, John
Metcalfe, Stephen
Michael, rh Alun
Morris, David
Munn, Meg
Munt, Tessa
Murray, Ian
Neill, Robert
Newton, Sarah
Nokes, Caroline
O'Brien, Mr Stephen
Ottaway, Richard
Owen, Albert
Paice, rh Mr James
Pawsey, Mark
Penning, Mike
Penrose, John
Perry, Claire
Phillips, Stephen
Pound, Stephen
Randall, rh Mr John
Ruddock, rh Dame Joan
Sanders, Mr Adrian
Sandys, Laura
Seabeck, Alison
Sheerman, Mr Barry
Slaughter, Mr Andy
Smith, rh Mr Andrew
Stewart, Bob
Syms, Mr Robert
Tami, Mark
Tredinnick, David
Vara, Mr Shailesh
Vaz, Valerie
Vickers, Martin
Villiers, rh Mrs Theresa
Walley, Joan
Weatherley, Mike
Webb, Steve
Wheeler, Heather
White, Chris
Whittingdale, Mr John
Yeo, Mr Tim

Tellers for the Noes:
Penny Mordaunt and
Simon Kirby

Question accordingly negatived.

Clause 9

THE END OF THE TRIAL

Philip Davies: I beg to move amendment 44, page 4, line 4, leave out paragraph (b).

Mr Deputy Speaker (Mr Nigel Evans): With this it will be convenient to discuss the following:

Amendment 73, page 4, line 6, leave out paragraph (c).

Amendment 74, page 4, line 8, leave out subsection (2).

Amendment 75, page 4, line 12, leave out subsection (3).

Amendment 46, page 4, line 12, leave out 'negative' and insert 'the affirmative'.

Amendment 48, page 4, line 23, leave out clause 11.

Amendment 9, in clause 11, page 4, line 24, leave out 'during' and insert

'up to three years after'.

Amendment 20, page 4, line 28, after 'Ireland', insert 'the Scottish Ministers and the Welsh Ministers'.

Amendment 21, page 4, line 29, leave out paragraph (b).

Amendment 51, page 4, line 29, leave out from 'must' to end and insert

'obtain agreement from the Scottish First Minister and the First Minister of Wales.'.

Amendment 15, page 4, line 29, at end insert—

'(2A) The Secretary of State may not make an order under this section unless resolutions supporting the order have been passed by the Scottish Parliament and the Welsh Assembly.'.

Philip Davies: I will try again with this group to persuade my hon. Friends of the merits of the amendments, the purpose of which is not to damage the Bill or prevent it from progressing, but to strengthen it. Lest anyone be in any doubt, some of the amendments in this group are similar to amendments in the previous group. I should make it clear that, as with the previous amendment that we have just voted on, if any of my amendments in this group were accepted at this late stage, I would be happy to support the Bill enthusiastically, because my amendments would, without doubt, strengthen the Bill. However, we have to deal with the Bill as it is and not base our decisions on the assurances that we have received from the Minister.

Amendment 44 would delete clause 9(1)(b). The clause relates to the end of the trial, and I have to say in passing that there seems to be a slight contradiction in the wording of the Bill—it may well just be a legalistic point. The clause is entitled "The end of the trial", but the first sentence beneath the title states:

"The Secretary of State must, during the trial period, do one of the following".

I was slightly confused about that, because it seems to give the Secretary of State the power to do one of the things listed at any point in the trial period, not just at the end as suggested by the clause title. Perhaps the Minister might be able to explain why that is the case.

Clause 9(1) states that the Secretary of State must do one of the things listed. The first is to make an order to abandon the trial—that makes sense. The second, in paragraph (b), is to make an order during the trial

period to advance the time by one hour permanently. Given that the Bill regrettably does not contain the safeguards that I and other hon. Members sought in the previous group of amendments, I wish through amendment 44 to prevent the Secretary of State from making such an order. I do not believe that is appropriate without the safeguards that we have discussed previously, which I will discuss again under this group of amendments.

Amendment 46 relates to clause 9(3), which states:

"An order under subsection (2) is subject to negative resolution procedure."

All the way through the Bill I have been pleased to see that each provision is subject to the affirmative procedure, but clause 9 appears to me to be the only part of the Bill that is subject to the negative procedure. The amendment is merely intended to change that to the affirmative procedure, which is standard in the rest of the Bill. Given that that procedure has been happily accepted in all other parts of the Bill, I would like to think that the House would be very happy to see it applied to clause 9 too.

The other amendments in this group that relate to clause 9 are amendments 73 to 75, which were tabled by my hon. Friend the Member for Christchurch (Mr Chope). I am sure that we all look forward to him speaking at great length about why he introduced them. It seems to me—I am sure he will correct me if I am wrong—that amendment 73 would simply delete clause 9(1)(c). He may well be able to explain why he felt that was so important.

Amendment 74 would delete clause 9(2). I must say that as ever, my hon. Friend was far more alert than me in seeking to do so. It appears to give the Secretary of State wide-ranging powers without any great safeguards. I suspect that is why he has sought to delete that subsection, but of course he may well have had better reasons than that. I am sure he will be able to tell us what they were.

Amendment 75 would delete clause 9(3), which is the subsection setting out that the clause is subject to the negative resolution procedure. My hon. Friend may well have wanted it deleted because he, too, was unhappy with that. I would like to think that my amendment 46 would make his amendment 75 redundant.

Mr Chope: I hope to have the chance to address my amendments, but I will say now that the reason for amendment 75 is that it is consequential on my amendment 74. If amendment 74 succeeded and subsection (2) were left out, there would not be any need for the provisions of subsection (3).

Philip Davies: My hon. Friend is absolutely right. I am pleased that he has cleared that up.

I am afraid that, through no fault of my own, time is pressing, so we do not have much time to go through these amendments or give them the kind of scrutiny that they deserve—but I shall press on. Amendment 48 would delete clause 11, which gives the Secretary of State the power permanently to advance the time by one hour. I seek to delete the clause partly for the reason that I gave earlier. Given that the amendments in the previous group were not accepted, we should not be giving the Secretary of State this power based on a trial period that I do not think has adequate safeguards built into it. To be helpful, however, I tabled amendment 51 to get around that problem. If it were accepted by the Minister and the promoter of the Bill, I would be satisfied and perfectly happy to support the Bill, because it would provide adequate safeguards.

That touches on amendment 15, tabled by my hon. Friend the Member for Argyll and Bute (Mr Reid), which is similar to his amendment 13 in the previous group. Amendment 51, too, relates to the power to advance time by one hour permanently and not just for the trial period. If we are to do it permanently, it is not only important to obtain the agreement of the Office of the First Minister and Deputy First Minister in Northern Ireland but essential to obtain the agreement of the Scottish and Welsh First Ministers. To go ahead with a permanent time change without obtaining the agreement of the First Ministers would fatally undermine the future of the United Kingdom. We cannot be seen to railroad the people of Scotland and Wales into something that might be against their wishes and hope that the United Kingdom will stay together. Clearly, it would no longer be sustainable. Whether people thought it appropriate to obtain the agreement of the Scottish or Welsh First Ministers for a trial period is one thing—that is what we voted on in the previous group of amendments—but it must be clear to everybody that if we believe in the United Kingdom, we must obtain that agreement before permanently changing the arrangement. That is what my amendment 51 would do.

My hon. Friend the Member for Argyll and Bute has taken a different tack, as he has done throughout. His amendment 15 would do pretty much the same as mine, except that he seeks to obtain the agreement of the Scottish Parliament and the Welsh Assembly rather than just the Scottish and Welsh First Ministers. I would be satisfied with either amendment. In fact, I prefer his amendment. I think that the requirement to get the agreement of the Parliament or Assembly as a whole would provide a much better safeguard than the obligation to seek only the agreement of the First Minister. I commend him for having come up with a far better amendment than mine, and I am happy to fall on my sword to pursue his agenda.

Amendments 20 and 21 have been tabled by our friends from the Scottish National party, the hon. Members for Na h-Eileanan an Iar (Mr MacNeil) and for Banff and Buchan (Dr Whiteford). If I read the amendments correctly—I am sure that they will correct me, if I am wrong—they seek to do exactly what I and my hon. Friend seek in our amendments: to put in place extra safeguards for the consultation of Scotland and Wales. Of the 11 amendments in this group, therefore, four or five would have the same effect. As for the future of the Bill, I must emphasise that it cannot progress unless we make it abundantly clear that we have the endorsement of people in Scotland and Wales, and not just through a consultation, which is what it provides for at the moment. People who are consulted can then simply be ignored. That is totally and utterly unacceptable.

2.30 pm

The Deputy Speaker interrupted the business (Standing Order No. 11(2)).

Bill to be further considered on Friday 27 January.

Business without Debate

LIVE MUSIC BILL [LORDS]

Bill, as amended in the Public Bill Committee, considered.

Bill read the Third time, and passed, with amendments.

LOCAL GOVERNMENT OMBUDSMAN (AMENDMENT) BILL (CHANGED TO LOCAL GOVERNMENT (REVIEW OF DECISIONS)) BILL

Bill, as amended in the Public Bill Committee, considered.

Motion made, That the Bill be now read The Third time.

Hon. Members: Object.

Bill to be read a Third time on Friday 27 January.

TRANSPARENT TAXATION (RECEIPTS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 January.

FIREARMS (AMENDMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 January.

FACE COVERINGS (REGULATION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 February.

EPILEPSY AND RELATED CONDITIONS (EDUCATION AND HEALTH SERVICES) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 30 March.

LOCAL REFERENDUMS BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 January.

RECALL OF ELECTED REPRESENTATIVES BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 January.

PUBLIC BODIES (SUSTAINABLE FOOD) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Wednesday 29 February.

ADOPTION (LEAVE, PAY AND ALLOWANCE ARRANGEMENTS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 30 March.

BETTING SHOPS BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 January.

CO-OPERATIVE HOUSING TENURE BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 30 March.

NHS ACUTE MEDICAL AND SURGICAL SERVICES (WORKING TIME DIRECTIVE) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 January.

MASTER'S DEGREES (MINIMUM STANDARDS) BILL

Resumption of adjourned debate on Question (21 October), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 27 April.

FIRE SAFETY (PROTECTION OF TENANTS) BILL

Resumption of adjourned debate on Question (19 November), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 23 March.

SALE OF TICKETS (SPORTING AND CULTURAL EVENTS) BILL

Resumption of adjourned debate on Question (21 January), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 3 February.

KINSHIP CARERS (PARENTAL RESPONSIBILITY AGREEMENTS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 30 March..

NATIONAL CURRICULUM (EMERGENCY LIFE SUPPORT SKILLS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 30 March..

METAL THEFT (PREVENTION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 30 March.

REPORTING OF INJURIES, DISEASES AND DANGEROUS OCCURRENCES REGULATIONS BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 February.

NATIONAL PARK AUTHORITIES BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 February.

ACTIVITY CENTRES (YOUNG PERSONS' SAFETY) (AMENDMENT) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 February.

LOW HAZARD WORKPLACES (RISK ASSESSMENT EXEMPTION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 February.

SELF-EMPLOYMENT (RISK ASSESSMENT EXEMPTION) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 February.

HEALTH AND SAFETY CONSULTANTS (QUALIFICATIONS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 February.

TRIBUNALS (MAXIMUM COMPENSATION AWARDS) BILL

Resumption of adjourned debate on Question (17 June), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 3 February.

PUBLIC BODIES (DISPOSAL OF ASSETS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 February.

VOLUNTEERING BILL

Resumption of adjourned debate on Question (10 June), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 3 February.

TAXATION FREEDOM DAY BILL

Resumption of adjourned debate on Question (25 November), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 30 March.

BBC LICENCE FEE PAYERS (VOTING RIGHTS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 30 March..

PARLIAMENT (AMENDMENT) BILL

Resumption of adjourned debate on Question (4 March), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 3 February.

APPRENTICESHIPS AND SKILLS (PUBLIC PROCUREMENT CONTRACTS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 30 March..

CHILDREN (ACCESS TO PARENTS) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 30 March.

SAFE STANDING (FOOTBALL STADIA) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 30 March..

BUILDING REGULATIONS (REVIEW) BILL [*LORDS*]

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Monday 30 January.

SAFETY OF MEDICINES BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 January.

EUROPEAN UNION MEMBERSHIP (ECONOMIC IMPLICATIONS) [*LORDS*] BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 3 February.

COMMON FISHERIES POLICY (WITHDRAWAL) BILL

Motion made, That the Bill be now read a Second time.

Hon. Members: Object.

Bill to be read a Second time on Friday 27 January.

HOUSE OF COMMONS DISQUALIFICATION (AMENDMENT) BILL

Resumption of adjourned debate on Question (9 September), That the Bill be now read a Second time.

Hon. Members: Object.

Debate to be resumed on Friday 27 January.

Graham Jones (Hyndburn) (Lab): On a point of order, Mr Deputy Speaker. Is there any way of recording in *Hansard* that my Metal Theft (Prevention) Bill was objected to by the Conservative Front-Bench team and the hon. Member for Chelsea and Fulham (Greg Hands)?

Mr Deputy Speaker (Mr Nigel Evans): I think that the hon. Gentleman has just done that.

Pension Funds (Fiduciary Duties)

Motion made, and Question proposed, That this House do now adjourn.—*(Greg Hands.)*

2.41 pm

Jon Cruddas (Dagenham and Rainham) (Lab): I wish to make a few comments on the fiduciary duty of pension fund trustees. It is just over a year since the Minister and I stood here to discuss the issue of responsible investment by pension funds, and in that debate we focused particularly on transparency for fund members. So to begin with it is worth taking stock of a few developments that have occurred since we last discussed these issues.

First, in recent weeks, the notion of "responsible capitalism" has risen to the top of the political agenda. A cross-party consensus has emerged that shareholders must do more to tackle irresponsible corporate behaviour such as excessive top pay. Secondly, we have entered 2012, the year of auto-enrolment, a process that will ultimately see millions of workers begin saving for a pension through the capital markets. Thirdly, casting our minds back to the autumn statement, we have seen the Government turning to pension funds as a source of capital to fuel the economic recovery through infrastructure investment.

If we put all that together, it becomes clear that the way pension funds invest is no longer, as the Minister put it in our last discussion, "a minority sport", but a matter of acute national concern. Although much has been made of the rise of foreign investors, UK pension funds still make up 13% of the UK stock market, with insurance companies that provide pension products making up another 12%. So it is vital that this huge pool of capital is invested responsibly in the long-term interests of pension savers. Unfortunately, as a report published last year by responsible investment charity FairPensions showed, current interpretations of the law may hinder that objective. Fiduciary duties—our main legal mechanism for protecting those who entrust their money to someone else—do not apply consistently across the pensions market. Worse still, they are generally interpreted as forbidding pension funds from raising their sights beyond quarterly returns. Far from protecting savers' long-term interests, that view may in fact be damaging to them.

Clarification of this seemingly obscure and technical area of the law could unlock positive change in a range of areas: supporting jobs and growth; ensuring decent pensions; and underpinning the shift to a more responsible, resilient capitalism. The Prime Minister has indicated that the Government want to give shareholders more powers to block excessive pay deals. That is obviously welcome, but more searching questions need to be asked about how shareholders are using the rights they already have. Figures released by PIRC—Pensions Investment Research Consultants Ltd—last week showed that since the introduction of the advisory vote on pay 10 years ago just 18 remuneration packages have been voted down, despite the fact that pay has risen out of all proportion to shareholder returns. Why has there been such reluctance to use these powers?

Most pension funds do not exercise voting rights themselves, but delegate to fund managers, whose duties are unclear. FairPensions' report argues that fund managers have fiduciary duties under common law—a view shared by the Law Commission—but that is not generally accepted by the industry. That means that the strict duty to avoid conflicts of interest is not being applied to the people actually making the decisions. That has real implications for the way in which votes are cast by City fund managers who have business relationships with the companies in which they invest.

A recent article in *Butterworths Journal of International Banking and Financial Law* cited anecdotal evidence of

> "corporate or investment banking staff overtly or subtly pressuring their asset management colleagues to avoid antagonising their clients by voting against the CEO's pay arrangements."

Meanwhile, pension funds are often labouring under the misapprehension that their fiduciary duty prohibits them from taking an interest in Bob Diamond's bonuses, for example, when, of course, properly understood, that is very much part of that duty.

The pervasive myth that fiduciary duty begins and ends with maximising returns leads many funds to neglect intangible factors—excessive pay or poor environmental standards—even though they may well affect the long-term returns that matter most to pension savers. The misconception seems to put some trustees off being active owners of the companies in which they invest, notwithstanding efforts through the UK stewardship code to encourage them to do so. Still less do funds believe that they can take account of the moral outrage felt by their members over excessive pay deals.

Such interpretations continue to hold back pension funds' potential to play their part in a more responsible capitalism. To put it simply, we cannot have responsible capitalism if the capitalists think that the law prohibits them from acting responsibly.

I want briefly to return to the subject of transparency, which we talked about a year ago. Making companies more accountable to shareholders will not be enough to tackle "crony capitalism": shareholders must also become accountable to the ordinary savers whose capital they invest. Among other things, that means much greater transparency about what is being done with our money. At the moment, if I want to know how my pension fund voted on Barclays' remuneration report, for example, it is not obliged to tell me. In his response last year, the Minister promised to raise the issue with the chair of the Pensions Regulator. I would be grateful if he updated the House on the results of their conversation and on any further developments.

Narrow interpretations of fiduciary duty risk holding back not only the responsible capitalism agenda but the economic recovery. Pension savers have a clear interest in the health of the UK economy. It affects not only the growth of their investments but their economic well-being more generally as UK citizens, jobholders and taxpayers. The Treasury has picked up on that and observed that obvious common interest when encouraging pension funds to invest in UK infrastructure. The Financial Secretary to the Treasury said in a recent speech to the National Association of Pension Funds:

> "Your investment in the UK economy can drive economic change and that change should generate more stable and sustainable returns, benefitting Britain's pensioners."

The same logic can be applied to investment in the small and medium-sized companies that are the engine of future job generation in our economy, but that is not the logic that underpins pension fund decision making

[Jon Cruddas]

in practice. We are back to the mantra of the fiduciary duty to maximise returns, which dictates that return must be sought wherever it is found. Given a direct choice between two competing investments, there is no reason for pension funds to invest in the UK rather than, say, China. Indeed, most funds would say that the law legally obliges them to choose the latter if the risk-return profile is even marginally more attractive.

That reduces fiduciary duty to a mathematical calculation that obliges trustees to chase the best return and ignore all other considerations, rather than enabling a more common-sense approach, using their discretion to determine how their capital can best be put to work for the benefit of pension savers. Given the choice, many pension savers might well want to see their savings invested in British industry or green infrastructure but, under conventional interpretations of the law, their views are irrelevant. Fiduciary duty, which exists to protect savers, risks becoming a missing link when it comes to translating our savings into productive investment activity.

This is emphatically not about hijacking pension funds' capital to serve government ends; that could be a dangerous road to go down. It is all about allowing them the discretion to take a broad and enlightened view of what is in the beneficiaries' interests, rather than prescribing an approach that might not serve savers in the long run. Let us not forget that it was today's interpretation of the law that saw pension funds pile into triple-A-rated shares in banks whose risky activities ultimately decimated pension fund value. If funds had been encouraged to think about the sustainability of those returns, rather than just the share price, their beneficiaries might have been better served in the long-run.

That brings me to the third area in which policy makers ignore debates about fiduciary duty at their peril—auto-enrolment. The Pensions Regulator estimates that between 5 million and 8 million people will be newly saving, or saving more, as a result of the 2012 reforms. Many of those people will be low-paid workers and there is a huge responsibility on the Government to ensure that their savings are responsibly stewarded and deliver a decent retirement income. This means ensuring that fiduciary standards of care can be applied across the pensions market.

In Committee on the Pensions Bill, the Minister rightly noted the importance of taking a "holistic approach" and not creating "unevenness" by putting

> "conditions that are not imposed on other investment vehicles on pension schemes".—[*Official Report, Pensions Public Bill Committee*, 14 July 2011; c. 330.]

However, there is already unevenness between trust-based pension schemes and contract-based pension arrangements, as the latter are not subject to fiduciary duties and the governance requirements that go with them. The average saver may struggle to see the difference between those two types of arrangements, but the legal niceties mean that savers are subject to completely different legal protections depending on the type of scheme their employer chooses. Last year the Minister's Department consulted on "regulatory differences" between trust and contract-based pension arrangements and I hope he will look at this issue of governance because it is the single biggest regulatory difference and carries the biggest danger of regulatory arbitrage.

A struggling employer could be forgiven for wondering why they would want to set up a trust-based scheme with all the governance implications that would entail when they could simply choose an off-the-shelf product from an insurance firm. However, there are obvious reasons for thinking that such a decision might not serve the best interests of their employees. This is not merely a theoretical objection. I understand that FairPensions is due shortly to publish research showing that the absence of clear obligations does indeed create a "governance gap". Can the Minister indicate whether his Department is looking into this issue and, if so, what might be done to ensure that a level playing field for all pension savers can be established?

The overall point is that the misapplication of fiduciary duty is clearly a significant challenge to the Government's vision for a strong, responsible economy and a generation with a savings culture. Conversely, a renewed understanding of fiduciary duty offers an exciting opportunity to reshape our economy for the better. The FairPensions report recommends there should be statutory clarification of fiduciary duties along the lines of directors' duties under the Companies Act 2006 to make it clear that pension funds can consider a range of factors beyond quarterly returns such as the impact of their investments on the wider economy, environmental and social issues and their members' ethical views. It also recommends that the Department for Work and Pensions should produce guidance for pension fund trustees on the interpretation of their fiduciary duties.

When those recommendations were debated through a probing amendment to the Pensions Bill, the Minister helpfully put on record his view that

> "it is not the duty of trustees simply to maximise short-term returns."—[*Official Report, Pensions Public Bill Committee*, 14 July 2011; c. 329.]

In other words, the measures proposed by FairPensions that I have talked about would amount to clarification rather than a radical departure from existing legal principles in terms of trustees' duties. This might prompt some to ask whether statutory definition is really needed if the underlying legal principles are sound.

Some pension funds already take an enlightened approach to their fiduciary responsibilities. The National Employment Savings Trust —NEST—is emerging as a beacon of best practice when it comes to responsible investment, viewing it as part of its responsibility to undertake shareholder engagement and to integrate environmental and social issues into its investment analysis. Similarly, the Strathclyde pension fund offers an excellent example of how pension funds can make investments that add genuine, sustainable economic value for their members. It recently announced a £100 million new opportunities fund to invest in job creation in Glasgow with the proviso that it will invest only in businesses that pay the living wage. However, those examples are very much the exception rather than the rule. The conventional interpretation of the law is highly conservative, and this is reflected in the legal advice received by the vast majority of pension funds. It is difficult in practice to see how this problem with the interpretation of the law can be overcome other than with an explicit clarification of the law.

It is also worth noting that even pension funds that take an enlightened view of their fiduciary duties still appear to believe that the law restricts their room for manoeuvre in this area. For instance, one investment officer recalls asking for legal advice on whether, when voting on a hostile takeover bid, they could consider the fact that some of their beneficiaries might lose their jobs. The answer was no; they could consider only the price that they would be paid for selling their shares. In other words, far from being a counterweight to predatory activities, even the most enlightened pension fund may feel legally obliged to be complicit in these predatory activities. For all these reasons, express clarification does seem to be necessary.

To be clear, this is not a question of diluting the fiduciary duty to seek the best outcome for beneficiaries. Nothing in these proposals would change the fundamental principle that fiduciaries must act wholly in the best interests of their beneficiaries. Rather, it is about making fiduciary duty work better in today's complex financial markets. Indeed, we must seriously ask whether fiduciary duty as currently understood is doing its job properly.

From 2002 to 2007, pension fund payments to intermediaries rose by some 50%, while returns collapsed to an average of 1.1% per year. If the main purpose of fiduciary duties is to make sure that savers come first and that agents do not profit at their expense, these figures suggest that something is badly wrong. It is not a question of imposing new regulatory burdens on pension funds, but rather the opposite: clearing away perceived legal barriers and restoring common sense to the law.

FairPensions' proposals are aimed at creating an enabling environment, freeing trustees from the fear that they may face legal liability if they depart from received wisdom about how they must invest. This is true of both the recommendation for statutory clarification, and the recommendation for DWP guidance.

In relation to guidance, I tentatively suggest that the Charity Commission's recent update of its investment guidance for charitable trustees might prove a useful departure point. It has helped to clarify that fiduciary duty is not a set of handcuffs that prevent trustees from considering anything but financial return. In particular, it has sought to give comfort by stating that

"if trustees have considered the relevant issues, taken advice where appropriate and reached a reasonable decision, they are unlikely to be criticised for their decisions or adopting a particular investment policy."

I understand that the Minister's officials have been engaging with FairPensions since the publication of their report about the possibility of guidance, and I wonder whether the Minister might update the House on any progress that his Department has made on this recommendation.

Of course, I understand that the Government might wish to wait for the results of the Kay review of UK equity markets before making firm commitments. I understand that fiduciary duty forms part of Professor Kay's remit, and that it has been discussed extensively during his first phase of consultation. If Professor Kay does make recommendations on this issue, the Government will clearly need to consider those alongside the recommendations already made in the FairPensions report.

Overall, therefore, it would be helpful if the Minister gave some general indication of whether there is enthusiasm in Government for reform of fiduciary duty, and whether, if it proves to be consistent with the findings of Professor Kay's inquiry, he will work with colleagues in the Department for Business, Innovation and Skills to take forward this agenda.

2.58 pm

The Minister of State, Department for Work and Pensions (Steve Webb): May I begin by congratulating the hon. Member for Dagenham and Rainham (Jon Cruddas) on securing this debate, which raises issues that I know are of real concern for many people? As he pointed out, it is just over a year since we were both here debating the same subject. One of my colleagues who observed our last debate said that she felt that agreement was breaking out violently all over the place. I suspect that we may be in similar territory today, because I have a great deal of sympathy with the points that the hon. Gentleman raised.

To be clear from the outset, I should say that the coalition Government fully support the highest standards of corporate governance and ethical behaviour. We agree that a socially responsible investment strategy is a sound choice for pension schemes, and we recognise the importance of the issues raised by FairPensions. I welcome the fact that the points made by the hon. Gentleman chime with the emphasis that both the Prime Minister and Deputy Prime Minister recently placed on responsible capitalism. Although not directly related to the duties of pension funds, the call by my right hon. Friend the Deputy Prime Minister for much greater corporate transparency and the unlocking of shareholder power indicate the coalition Government's intention of addressing some of the wider concerns raised by the hon. Gentleman today.

I would like to emphasise the significant contribution that FairPensions has made to inform the debate on these issues. I have had a number of discussions with it and, as the hon. Gentleman said, its director is now a member of our trustee panel and I joined her for a meeting earlier this week. I hope that he will be reassured that that perspective is very much in the room when these issues are considered.

The hon. Gentlemen touched on the important role of the investments of pension funds in fuelling economic recovery in the UK. As he rightly said, the Chancellor announced in his autumn statement that the Government have signed a memorandum of understanding with two groups of UK pension funds to unlock additional investment in UK infrastructure, including the National Association of Pension Funds, the Pension Protection Fund, to which I will return, and a separate group representing pension plans and infrastructure fund managers.

The Government are also establishing an infrastructure investment forum with the Association of British Insurers—the hon. Gentleman mentioned the role of insurance companies—which will explore ways to ensure that capital markets continue to provide an efficient and attractive source of debt finance for infrastructure projects. The Government will target up to £20 billion of investment from those initiatives, which we hope will lead to a step change in the use of pension scheme assets to fuel our economic recovery.

[Steve Webb]

The hon. Gentleman referred to the FairPensions March 2011 report on fiduciary duty. I entirely agree that that has done a good job in raising awareness about some of the important issues relating to the role of pension trustees in the governance and conduct of firms, and the role of advisers. One of the concerns consistently raised by FairPensions is that the extent of a trustee's fiduciary duty is frequently misunderstood. As he said, I pointed out in the Pension Bill Committee, and am happy to say, albeit in front of a slightly more select gathering on this occasion, that I am absolutely clear that fiduciary duty does not simply mean that someone must maximise short-term investment returns at all costs. I am also clear—again on the record—that those duties do not prevent trustees from considering environmental, social and governance practices. Indeed, as part of the discharge of their fiduciary duty, it would be perfectly reasonable for pension trustees to ask searching questions about the environmental, social and governance practices of those firms their scheme was investing in. There is no reason why trustees cannot take ethical and governance issues into account when making investment decisions, solely subject to their making sure they comply with the legislative requirements relating to scheme investments, and the provisions of their scheme's statement of investment principles.

I come now to the hon. Gentleman's point about 2012 and the direction in which we are travelling. We have seen only recently the closure of the final salary scheme of a FTSE 100 company open to new members—another mark in the move away from defined benefit pensions—and we are moving into a world of auto-enrolment, which will not exclusively be into contract-based defined contributions, but clearly many of the providers will be structured in that way, and I want to come on to that. As he says, between 5 million and 8 million people will be saving for the first time, or saving more, in a workplace pension. Against this backdrop, the hon. Gentleman's points about how pension fund assets are managed, and more directly the fiduciary duty of those managing the assets, are very important. I am grateful to the hon. Gentleman for his comments about NEST being a beacon of best practice, and I will certainly look at the examples he gave of the Strathclyde pension fund and the recent Charity Commission guidance, which sounds helpful in this regard.

Looking beyond NEST—obviously the "t" stands for "trust"—clearly a key difference between trust-based occupational pension schemes and contract-based schemes that are used for automatic enrolment is the fact that occupational schemes have trustees who have a fiduciary duty to act in the best interests of the members. As he said, last year the Government issued a call for evidence on the regulatory differences between the two sorts of pension schemes. While some respondents, such as the hon. Gentleman, were concerned that there was no equivalent protection for the investments of members of workplace personal pension schemes, others pointed out that many providers of workplace personal pensions—contract-based—do have alternative arrangements in place, such as governance committees. It does seem to be the case that many employers are increasingly moving towards arrangements for employee engagement through the establishment of such management or governance committees.

Research by the Pensions Regulator has found that approximately half of employers with a contract-based scheme do have some form of governance arrangement over and above what is legally required. These range from a very informal review on an ad hoc basis by employer representatives, through to more formal arrangements involving a wider range of parties, which may involve employee representatives. I do recognise that that does not wholly equate with a trustee's fiduciary duty, since there is no obligation on an employer to establish such a committee, and where they do exist there is a wide variation in their terms of reference, membership and powers.

In May last year, my Department issued detailed guidance on default funds in auto-enrolment to ensure the quality of a DC pension scheme's default fund. This will be vital to the success of automatic enrolment as most individuals will not be making a choice about their investment fund and will be enrolled into a scheme's default option. Reflecting on what the hon. Gentleman said, that gives us an opportunity for scale. If the vast majority of people end up in the default funds, and we can get the default funds right, there is potential for good practice to be spread quite widely.

The guidance sets out the standards that pension schemes, advisers and employers should follow to ensure that the default fund is of sufficient quality. Those standards cover charges, governance, risk management, review and communications. The guidance was developed with employers, the pension industry, consumer groups and advisers to ensure not only that it is user friendly but that it strikes the right balance between prescription and allowing flexibility.

On the question of charges, evidence suggests that the vast majority of schemes have appropriately low fund charges, but there is always a possibility that charges could rise to inappropriately high levels in the future. That is why we took powers under the Pensions Act 2008 to regulate and set a charge cap, should charges become inappropriately high, given that even relatively small differences in charges can have a big impact on someone's pension pot. The hon. Gentleman will know that we extended those powers in the Pensions Act 2011, for which I was responsible.

In the meantime, other initiatives are progressing. Hon. Members might recall that the Investment Governance Group, an industry group jointly sponsored by the Pensions Regulator, the Department for Work and Pensions and the Treasury, has developed principles for best practice in investment governance of work-based pension schemes. That guidance was published shortly before our previous debate and comprises six principles covering the three stages of investment governance: governance structure, investment choices and monitoring, and communications. It is available on the Pensions Regulator's website. The aim of the principles is to encourage better investment governance and decision making by all stakeholders, and to provide a practical checklist to benchmark a scheme's investment governance processes against best practice.

Two additional pieces of work from that group might be of interest to the hon. Gentleman. First, the Pensions Regulator is working closely with the National Association of Pension Funds to produce a report on defined benefit case studies, and considering investment strategies and approaches to ethical investments. Secondly, the National

Association of Pension Funds is assisting the regulator in the preparation of a video podcast on the governance of small schemes, which I think will consist of at least two downloads. I understand that both those products should be ready for publication soon.

Much more recently, on 6 December 2011, the Pensions Regulator published a press release entitled "Six principles for good workplace DC". This set out the regulator's principles for good design and governance of DC schemes, and invited the industry to take part in a dialogue on the principles and the detailed criteria that sit underneath them. Publication of those high-level principles is the next step in the regulator's ongoing engagement with the pensions sector to improve standards of DC provision and ensure that the sector is ready to support auto-enrolment.

I want briefly to mention the Pension Protection Fund. Someone told me recently that, in five to 10 years' time, the PPF will be the biggest pension fund in the land, which is a slightly depressing thought. It is an operationally independent arm's length organisation that was set up by Parliament. Like NEST, the investment strategy of the Pension Protection Fund is an example of the Government seeking to promote best practice in investment strategy, in this case through a non-departmental public body. In its statement of investment principles, published in November 2010, the PPF board makes it clear that it will act in the best financial interests of the fund and its beneficiaries in seeking the best return that is consistent with a prudent and appropriate level of risk. The board believes that it must act as a responsible and vigilant asset owner and market participant, and take account of the environmental, social and governance factors that can have an impact on the long-term performance of its investment. There is therefore a stress on long-termism and active engagement by this major owner of corporate Britain. I am sure that the hon. Gentleman will also welcome the fact that the PPF board is a signatory to the United Nations principles of responsible investment, a set of best practice principles on responsible investment.

The hon. Gentleman asked about discussions with the Pensions Regulator. When we debated these issues in December 2010, he asked whether I would be prepared to raise the issue of transparency with Michael O'Higgins, who was then the incoming chair of the Pensions Regulator. I can confirm that I have had a number of discussions with the chair in the past 12 months, and that I have drawn attention to the issues raised in the FairPensions report from March 2011, which have been echoed by the hon. Gentleman today.

Surprisingly, trustees are not obliged to disclose information about investments or their investment decisions to scheme members. It seems odd, given that it is our money, that we have so little ability to find out what is being done with it. The Pensions Regulator is therefore working with my Department to consider ways of introducing more transparency into schemes, and ways in which members could be better updated with information on their scheme. I shall be meeting the chair and the chief executive of the Pensions Regulator later this month, when we will discuss the issue further. I venture to suggest that it will be slightly higher on the agenda following the hon. Gentleman's repeated interventions, for which I am grateful to him.

The hon. Gentleman mentioned the Kay review, which is obviously crucial. Professor Kay is examining UK equity markets and their impact on the long-term performance and governance of UK business. His independent review will consider a number of the issues that have been raised today, and its report is due later this year. Professor Kay kindly came to speak with me about the review on 3 November 2011, and I took the opportunity to raise the concerns raised by FairPensions about fiduciary duty and short-termism. I am hopeful that he will consider them in the course of his work.

The Kay review is examining the extent to which equity market participants are excessively focused on short-term outcomes, and what actions might be taken to address such problems if they exist. It will explore the incentives, motivations and timescales of all participants in the equity markets, as well as the fiduciary duties of pension funds and their role as long-term investors. I assure the hon. Gentleman that we will look very seriously at what Professor Kay has to say. I do not want to pre-empt that at this stage, but I will work closely with my colleagues in other Departments on any issues raised by the review that need to be considered further.

I thank the hon. Gentleman for his persistence. This is an important issue, and I hope that he will continue to raise it.

Question put and agreed to.

3.10 pm

House adjourned.

Westminster Hall

Tuesday 10 January 2012

[MR CHRISTOPHER CHOPE *in the Chair*]

Regional Pay (Public Sector)

Motion made, and Question proposed, That the sitting be now adjourned.—*(Angela Watkinson.)*

9.30 am

Jonathan Edwards (Carmarthen East and Dinefwr) (PC): Diolch, Mr Chope. It is a pleasure to serve under your chairmanship this morning and to have the honour of beginning the first Westminster Hall debate of 2012. I thank right hon. and hon. Friends for making the effort to come here on the first morning of Parliament's return.

The topic of regional pay will increasingly dominate relations between the UK Government and the public sector over the coming year, perhaps even more than the still unsolved dispute over public sector pensions. Back in November, I labelled the autumn statement a panicked response to worsening economic forecasts, rising unemployment and increasing deficit payments. The statement included many interventionist measures for which my party had been calling, particularly increased capital infrastructure investment. The signature policy of the statement was the capital investment programme, which seems remarkably similar to my party's proposals at the last Welsh general election. I hope that the £25 billion of funds to be raised from pension funds over the coming years will be shared equitably across the nations and regions of the state.

The fine print of the autumn statement contained a deeply worrying request for pay review bodies to investigate how public sector pay can be made

"more responsive to local...markets",

with the aim that they should report in July this year. After the flurry of announcements that we heard at the beginning of the autumn statement, it took a while for the significance of that announcement to sink in. What the Chancellor was announcing was a wholesale review of the introduction of regional pay in the public sector to be introduced as early as the 2013-14 pay round. I do not want to accuse the Chancellor of being deliberately antagonistic—

Helen Goodman (Bishop Auckland) (Lab): Oh, why not?

Jonathan Edwards: Well, it is the first day back. However, the fact that that announcement was made on the eve of the biggest industrial strike in the UK since 1926 smacks of deliberate bad timing. If the Government think that the proposals for public sector pensions have got state employees and their representatives worked up, they have not seen anything yet. As the debate rages over such proposals, I fear that we are likely to witness increased industrial strife.

After making the announcement in the autumn statement, the Chancellor explained that the review would be a significant step towards the creation of a more balanced economy in the nations and regions of the state that does not squeeze out the private sector. The claim—the theory, at least—is that depressing public sector wages where they are currently higher than those in the private sector will lead to the brightest and best choosing a private sector career over public service and that such an approach will boost the private sector.

What are the Treasury's intentions? Is it considering a system that extends the London weighting, or is it considering something altogether more far-reaching? In June 2008, the Minister for the Cabinet Office was quoted in the *Financial Times* as saying that it is the intention of the new UK Government to lower rates of pay in the civil service outside London. That is on top of redundancies and a two-year pay freeze, with the autumn statement freezing public sector pay at 1% for a further two years. May I remind Ministers that a pay freeze at 1% is essentially a further real-terms pay cut for the next two years? My fear is that the Treasury's proposals are all about saving costs. I therefore cannot see it topping up payments for public sector workers in more affluent areas of the state or reallocating resources. My concern is that the Government's intention is to reduce pay in the poorest parts of the state across the public sector and to introduce market conditions into public sector workers' pay and remuneration.

The Institute for Fiscal Studies reported that the public sector pay bill for 2009 was around £182 billion, which represents around 30% of UK Government expenditure and around 13.1% of UK national income. However, based on the 2010 comprehensive spending review, we know that the public wage bill will be significantly reduced by the projected reduction of 400,000 public sector jobs by 2017. In winding up today, it would be helpful if the Minister informed us what the savings will be of the Office for Budget Responsibility's new projections of more than 710,000 public sector job losses by 2017.

At the risk of offending my friends in the Labour party, based on the policy direction of the previous Government, the Treasury should have the full support of Her Majesty's official Opposition. What strikes me about politics in this place is that, despite the sporadic changing of the guard at No. 10 Downing street, more things stay the same. The previous Prime Minister had obviously spent too much time in his former post at the Treasury, as he was an avid exponent of regional pay. Indeed, the previous Labour Government introduced regional pay for court workers and the Prison Service.

In the teeth of the trade union movement's opposition over the coming months to these proposals, the Treasury will justifiably be able to say that the previous Labour Government introduced the principle of differential pay, using the Courts Service as a pathfinder for its wider introduction across the whole public sector. Indeed, the Chancellor made that point repeatedly to the Treasury Committee during the evidence session on the autumn statement last month. To the Public and Commercial Services Union's credit, it warned exactly of that during the debate surrounding the proposals for the Courts Service in 2007. It said at the time:

> "There was a need for a pay and regrading review as workers from the magistrates' courts have recently been brought into the civil service. But the Department of Constitutional Affairs has gone for the cheapest possible option. If the government brings regional pay in here, it will try to implement it in the rest of the civil service, and then across the public sector."

[Jonathan Edwards]

I would be grateful to the Minister if she informed hon. Members about the Government's assessment of the impact on recruitment and quality of service in south-east England of introducing regional pay in the Courts Service. More importantly from my constituents' perspective, what has been the impact on recruitment, performance and, crucially, morale in those areas where lower rates of pay are offered?

Helen Goodman: The hon. Gentleman is in general making an excellent case this morning, and I congratulate him on securing the debate. Does he agree that there is a real problem surrounding the quality of public services as a result of the fact that, for example, doctors might come out of university with five, six or seven years of debt and be paid less in regions such as the north-east or Wales than in London?

Jonathan Edwards: The hon. Lady makes an excellent point, and I thank her for that intervention. I will come on to talk about the brain-drain element and the polarisation of wealth across the British state.

I say to the Minister that, with the policy in operation across some parts of the public sector already, the Treasury should have the information about its impact at its disposal. That leads us to ask why the autumn statement pledged to hold an investigation into the issue. There is already a wealth of evidence from trade unions about the problems of the policy in the courts and prison services.

Without having sight of the Minister's speech, I presume that her counter-argument might include saying that it is the Government's intention to equalise the standard of living for public sector workers. Such an argument might go along the lines that a teacher working in Carlisle or Carmarthenshire has more disposable income than a colleague working in Reading, because of the difference in the cost of living and that that is morally unjustifiable. Superficially, that seems a seductive and attractive argument, but it is essentially a policy aimed towards a race to the bottom.

I hope that the Government do not embark on a divide-and-rule strategy and play public sector workers off against each other, as they have during the public sector pensions debate. Under the proposals, both public and private sector workers in the regions and locations concerned would be losers. The impact of such a policy would not be a geographical or sectoral rebalancing of the economy; it would be a sobering experience, with public sector workers already in fear of their jobs having their pockets picked for pension payments and suffering a prolonged period of wage freezes and real-term cuts.

Hywel Williams (Arfon) (PC): Does my hon. Friend agree that the arguments about differential costs of living in some areas are sometimes bogus? He will know as well as I do that, for example, transport costs in rural areas are astronomical. People might have to run two cars, as they struggle to maintain a lifestyle that involves travelling to two jobs in different directions.

Jonathan Edwards: My hon. Friend makes an excellent argument. Indeed, following the autumn statement, he tabled an early-day motion on the topic, which I think has been supported by about 18 Members to date. I urge those Members who support the campaign on this issue to sign that early-day motion at the very least.

Public sector workers are facing real-term cuts and that is before we consider the impact on the private sector. In many places, the private sector is reliant on the trade generated by the public sector and the money circulated through public sector employees. In constituencies such as mine, where more than 30% of people work in the public sector, there is a direct correlation between their wages and the cash circulating in the local economy.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Gentleman on securing the debate. Surely, his point about the direct correlation between socio-economic difficulties in geographical areas—particularly those that are some distance from the south-east such as Wales, Northern Ireland, Scotland and the north of England—and the high dependency on public sector employment is key. Many of those areas have only managed to get through the recession at the moment because of their high dependency on the public sector. If we were to go down this route now, we would find that the problem would be multiplied even more.

Jonathan Edwards: The hon. Gentleman makes an excellent point. We should be considering not depressing the public sector in those areas where the economy is weakest, but improving the private sector.

Since the general election, we have heard a lot about the UK Government's ambition to geographically rebalance the economy. They have the full support of my party, including the national insurance holiday proposals for small businesses, which I think shows the Treasury's intent, despite the evidence showing a lack of success. The policy indicates that the Treasury, at long last, realises that countervailing measures are required to address the so-called north-south economic divide. We will, however, need a far more comprehensive approach than we have seen to date. My fear is that this policy on regional pay goes in a completely different economic direction.

One of our major criticisms of UK Governments of whatever colour in the past 30 years has been that the emphasis has been far too concentrated on one small geographical part of the state. Successive Governments have been guilty of allowing regional and individual wealth polarisation at an incredible rate. The average gross value added per person in inner London is 10 times that of workers in the Gwent valley. Inner London is the richest part of the European Union, whereas the communities that I represent—only a few hours down the M4; longer on the train—qualify for the highest form of European convergence aid. Such are the imbalances in the British state that it is now by far the most unequal of all EU member states. Considering the unification legacy in Germany, that is a damning indictment of all successive Governments.

Far from addressing that record of shame, these proposals will further depress those economies that are in desperate need of investment. It is no surprise to anyone that the fiscal consolidation pursued by the UK Government will hit the poorest parts of the state most. The statement by the Prime Minister that we are all in this together is rivalled in its degree of preposterousness only by the previous Prime Minister's assertion, when Chancellor, that he would abolish boom and bust. My

country has the lowest average gross weekly wages in the whole UK. On average, workers in Wales earn approximately £519.40, compared with £629.10 in the south-east of England and £826.40 in London. Take away the consistency of public sector pay—a point made by many hon. Members in interventions to date—and those discrepancies will be far worse.

Grahame M. Morris (Easington) (Lab): I thank the hon. Gentleman for giving way and for securing the debate. Aside from the unfairness, will he tell hon. Members whether the ability of the fire service, for example, to be resilient in the event of major incidents such as terrorist threats—or flooding, which happens in my region—is likely to be undermined by such a national pay structure? Remember, firefighters will often cross borders to help brigades in other areas.

Jonathan Edwards: The hon. Gentleman makes a valid point about morale and about where public sector workers choose their profession as a vocation. They do so as a lifetime commitment and are more likely to move to areas where they will get better pay. This is a pressing issue about the effect that this proposal will have on the quality of our public services in those areas where we need to be pumping up the public sector because there are problems with the economy.

It would be indefensible, considering that public expenditure per head is far higher in London than other parts of the state, for the Treasury to introduce a policy that further exacerbates the wealth divide. The spending power of people in the poorest parts of the state is obviously far lower, and that has an impact on private sector growth in those areas. In the communities that I represent, more than 30% of the population work in the public sector. Their disposable income correlates directly to cash circulating in the local economy. The move towards regional pay, therefore, is deeply worrying, as it will institutionalise lower pay in poorer areas. It will entrench those deeply socially divisive economic variances that exist within the British state and fundamentally undermine a supposed key objective of the current UK Government.

Tom Blenkinsop (Middlesbrough South and East Cleveland) (Lab): I congratulate the hon. Gentleman on securing the debate, because this is a very important issue. What would have been the consequence if regional pay had already been instituted and police officers from my area in Cleveland were sent down to London, Birmingham or Manchester during last year's summer riots? What would have been the consequences for the pensions of those police officers if their annual pay was reduced in certain regions of the country?

Jonathan Edwards: The hon. Gentleman makes a very informative intervention, which shows some of the problems. He is right to point to the recent riots in London, because police forces from his area and mine were sent down to London to deal with those problems. What would the morale in the police force be if there was differential pay in different parts of the British state? In fact, I cannot think of many other policy interventions that would undermine completely attempts to rebalance the economy geographically.

Returning to some of the arguments used to promote the idea, the notion that depressing public sector pay would lead to the brightest and the best leaving the public sector to generate wealth seems a slightly strange one. Public sector workers often make a lifetime commitment to joining a profession and to public service. Rather than seeking work in the local private sector, they are far more likely to seek similar employment in other areas where they will receive better pay. That will result in speeding up the brain drain that has caused so much damage to the communities that I represent.

There are a number of technical problems with the introduction of regional public sector pay. One obvious problem is how to calculate pay. Is the idea to link it with private sector pay? If so, the huge disparities in pay in the private sector between different parts of the UK would be replicated in the public sector. Generally, private sector wages in Wales are only half those in London. Are we seriously saying that a public sector worker in Southwark who does exactly the same job as an individual in Carmarthenshire should be paid twice the rate?

How many different regions will there be? How will boundaries be set, and how often will pay and boundaries be reviewed? In an unusual sign of activity, the First Minister of Wales announced within hours of the autumn statement that if the UK Treasury introduced the policy, the Welsh Government would seek to assume responsibility for public sector pay. I remember being interviewed by the BBC on the steps of St Stephen's entrance on my response to the autumn statement. I was asked to respond to the First Minister's comments, which I had not heard previously, that regional pay was

"a code for cutting pay in Wales".

He continued:

"Ultimately we may have to look at taking over pay and conditions here in Wales. It's not as easy as it sounds. There are real issues in terms of how that's done. But if we're forced into that situation, better that than have people's pay cut by the UK Government in London."

That sort of fighting talk, with an alternative course of action, is extremely unlike the current Welsh Government. We normally get a pile of hot air based on Labour-Tory tribalism, but with even the Welsh Government awakening from its slumber, perhaps Ministers here in London should be very wary of the strength of opposition that these proposals will generate.

Susan Elan Jones (Clwyd South) (Lab): As usual, my Plaid friends always make the case better when they do not mention the word "independence". Going back to the better part of the hon. Gentleman's argument, we have a Secretary of State for Wales who happens to represent a Buckinghamshire constituency. Surely, if these proposals were considered logically, the rate of pay for that Secretary of State—if she is still Secretary of State at the end of the week—would be rather different if she represented a Welsh seat. That would be absolute nonsense, and it illustrates how nonsensical this policy is.

Jonathan Edwards: That is a fantastic intervention, if I am honest. Obviously, if we were to think this policy through rationally, it would mean that Members of

[Jonathan Edwards]

Parliament should receive differential pay, and I can imagine how that might go down with hon. Members if we had to vote on it.

Hywel Williams: To return to the practical problems that we have in Wales, we share a long land border with England that is rather different from Scotland. There is much less traffic. I am very glad to see that link with England and both sides should profit from it, but it means that public sector pay in the Courts Service in Mold, for example, is different from that in Chester, which is just a few miles down the road, and that is ludicrous.

Jonathan Edwards: That is one of the practical problems that will come from this policy.

As a Welsh nationalist, I of course welcome the statements of the Government of my country that they will look into devolving public sector pay and conditions. Let us hope that if the UK Government continue with this policy, they match their words with actions. My only word of warning is: how will the Welsh Government fund this policy, given that they are reliant on block grant funding, which has been depressed by the Treasury, and that they are paralysed by an inability to raise their own revenue? If we go down this road, we will have to reform the funding formula, which the Labour party was previously cautious about doing.

Every hon. Member will acknowledge that the cost of living—particularly housing—for public sector workers in some parts of the UK is a problem. The chasm between private sector and public sector wages in London, for example, needs to be addressed. That is why my party previously made the case for a maximum wage to tackle the ridiculous earnings and bonuses paid to people in the square mile that do so much to inflate prices for ordinary working people in both public and private sectors. We must consider introducing innovative ideas, such as rent caps, as in New York, to reduce the housing benefit bill and ensure that public sector workers are not priced out of housing.

Rather than take such bold measures, the UK Government prefer to hammer hard-working people in the poorest parts of the state in an attempt to remedy the problems caused by the obsession of successive Westminster Governments with the economic elite here in London. That policy response, based on dealing with the consequences of macro-economic policy, has led to such imbalances across the state, rather than tackling the causes of those imbalances. The argument is that, through regional pay, the differences between public and private sector pay will disappear, but that claim comes about through looking at problems through the wrong end of the microscope. That is the same perspective from which people argued that cutting public sector jobs would lead automatically to their replacement with private sector jobs—and that has since been proven quite wrong, especially in areas such as the one that I represent.

In Wales, as in other parts of the UK, the private sector is undoubtedly too small, and that is sometimes misrepresented by people saying that there is too large a public sector, but that is not the case. The private sector in Wales needs to be given encouragement to grow through tax breaks, Government support for specific industries and infrastructure improvements. My party has been championing such intervention in response to the economic turmoil of the financial crisis in the past four years. I need not remind hon. Members that the Welsh economy under Plaid Cymru was growing faster than in any other part of the UK when we left office.

Sharp cuts in the pay available to public sector workers would have a hugely negative impact upon their ability to spend in the private sector and would probably lead to a vicious downward spiral, with job losses in the private sector and then a further downward impact upon public sector pay to again realign. This is what Blanchflower calls a "death spiral". The effect of regional pay may be to institutionalise lower pay and create employment ghettos. I am concerned that, despite such significant problems, the twin siren calls of saving money and dismantling the public sector may be too much for the Chancellor to ignore. I hope that I am wrong. Diolch yn fawr.

9.53 am

Glyn Davies (Montgomeryshire) (Con): Thank you, Mr Chope, for calling me to speak on this complex, interesting issue. This is the first time that I have spoken under your chairmanship, and it is a great pleasure to do so. I congratulate my good friend, the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards). We have discussed this matter once, briefly, on Welsh radio, and I said then that I wanted to speak in this debate. The gist of what I said then, and shall say now, is that we are facing a complex issue. It is difficult to understand how the hon. Gentleman could be so definitive about a response.

There are serious issues here. On 29 November, the Chancellor announced a review of the case for regional pay. We are talking about an announcement that there will be an inquiry reviewing the case; that is not sufficiently definitive to be described as proposals. A number of hon. Members who intervened mentioned proposals, but we are considering something that could have a damaging effect and could distort local markets.

The issue is not new. I first became involved in it 30 years ago, and it was a chastening experience. I am talking about the general, in-principle case for looking at regional pay. I had just become chairman of Montgomeryshire district council, and had very little experience of public work; I had probably been put in that position a little earlier than I should have been. I was a local farmer—a small businessman—and it seemed to me that the local authority was distorting the local market. It was paying a significantly higher rate than the local market. People were being transferred, and local businesses were complaining about losing their best staff.

I went to a conference in Kensington town hall; I was very green and new. My chief executive, who came with me, put me down to speak. When I was on the platform, I made what I thought was an entirely rational point, but I was booed off the platform. I was an independent chairman; I was speaking with a local businessman's logic about how we could run the business—the local authority—more efficiently and not distort local markets, but I was booed off. That was more than 30 years ago, so there is nothing new about this debate.

I have read some quotes made by the previous Prime Minister when he was Chancellor of the Exchequer, and they were incredibly positive about regional pay. I am sure that when we have this debate in July after the inquiry reports, which will be the obvious time to discuss what might then be considered proposals, his quotes will be mentioned; there are legions of them, strongly supporting regional pay and saying how vital it is for the future of our economy.

Helen Goodman: Labour Members are concerned that there is not an open inquiry, but a collecting of arguments for doing something that the Chancellor already wants to do. Will the hon. Gentleman say who is on the commission, who is undertaking the review, and whether the trade unions are involved with it?

Glyn Davies: No, I cannot say.

Hywel Williams: The hon. Gentleman says that the debate is on a long-standing, old question from 30 years ago. I thought that the Conservative position on it in Wales was made clear in a debate on 30 September 2008, when Mr William Graham—some hon. Members might not know that he is a senior Conservative Assembly Member—said:

"First Minister, you will know that the Welsh Conservatives firmly oppose the introduction of regional pay for civil servants."

What has changed?

Glyn Davies: I am sure that Mr William Graham will be extremely honoured to be quoted in a debate in this House. I will tell him about that when I speak to him later today, as I have arranged to do—*[Interruption.]*—not on this issue, but on another one that will be of particular interest to Welsh Members across the board.

This issue has the potential to distort local markets. That was my view 30 years ago, and I still see that potential now. I should have thought that I would have found a measure of agreement with the hon. Member for Carmarthen East and Dinefwr in our discussions on Sunday morning, because there are significant questions about the difficulty of transferring from one area to another, for example, and whether inflexibilities will be introduced into the market. There are a host of other issues to consider, too.

We need an inquiry. I understand that one or two Opposition Members feel that the inquiry may not look across the board. I would be disappointed if that were so. We need an inquiry that will bring forward the information that all of us, including the Chancellor, need to make a balanced judgment. The appropriate time for that to happen that will be in six months.

Owen Smith (Pontypridd) (Lab): Will the hon. Gentleman undertake to speak to his boss, the Secretary of State for Wales, and perhaps even the Chancellor, because, as he just learned from my hon. Friend the Member for Bishop Auckland (Helen Goodman), there is not a review? A series of letters have been sent to the national pay review bodies, asking them to consider the matter. Will he take up the challenge and tell the Chancellor that there ought to be a public review, and that trade unions and other bodies absolutely ought to be involved?

Glyn Davies: I thank the hon. Gentleman for that intervention, and as the Parliamentary Private Secretary to the Secretary of State for Wales, I reassure him that all the issues that I am involved with in the House feature in our discussions. When I am asked tomorrow what I have been doing since Christmas, I will certainly point to the debate that I am involved in today. I hope that that satisfies him on his request.

The only point that I want to make in my contribution is that the debate is too early. We need to have it in July, and we will. It will be an issue for the Floor of the House—an important and possibly contentious issue; I do not know. We will have to wait and see what the report says. It is possible that the issue will be contentious, but we must wait to see any proposals. In principle, I do not have any objection to the idea of a flexible labour market. Clearly, however, it must work and must not have a negative impact, and that can be decided only when we see the results of the inquiry, and information on which we can base a proper judgment.

10.1 am

Hywel Williams (Arfon) (PC): I am grateful for the opportunity to speak in this debate, which is important for my constituency and that of my hon. Friend the Member for Carmarthen East and Dinefwr (Jonathan Edwards), in that we have large numbers of public sector workers. I am glad that my hon. Friend was successful in securing the debate, and I draw hon. Members' attention to my early-day motion.

Regional pay would institutionalise lower pay in countries and regions of the UK such as Wales compared with London and south-east England, and it would magnify the unfairness of the current economic situation. Whether it is called zonal pay, local pay or regional pay, in the present constitutional position and economic climate, it would go completely against the supposed policy of the UK Government to rebalance the UK economy, which is sorely needed. Regional pay would badly impact on Wales and other countries and regions with a weaker private sector, which is certainly the case in my constituency, as well as in other parts of Wales, the north-east and north-west of England, Scotland and Northern Ireland.

When the Government refer to rebalancing, they are referring to something different from what my party means by rebalancing. When the UK Government refer to rebalancing, they are referring to growth in the south-east, as we have seen from the implementation of various policies such as the huge high-speed rail proposal, which will be outlined today, the Olympics or a number of others, which I will not go into this morning.

Our version of rebalancing is to increase support to sectors of industry and locations that have not benefited in the past from Government benevolence and support, which means support for countries and regions that have lost out over previous decades. As my hon. Friend has said, the economic situation has led to the growth of the financial sector in the City of London to the cost of other industries; in Wales, we look in particular at the decline of manufacturing. We have a much more fragile and non-diversified economy because of the centralisation of the UK economy on London, which has produced the overheating of housing costs and pressures in and around London. Anyone who lives in the south-east knows what I mean, and we have seen an increase in

[Hywel Williams]

inequality between London and the south-east of England compared with the rest of the UK. If the proposals go through—if they are discussed and decided upon—I fear that that inequality will be exacerbated.

The annual survey of hours and earnings published by the Office for National Statistics last month showed that Welsh workers are already among the lowest paid in the UK, while workers in many parts of London and the south-east earn double our average salary. I would be the first to complain about the large pockets of inner-city poverty that I come across when down here in London, and they are scattered throughout the inner cities of England, Wales, Scotland and Northern Ireland, but generally we have seen the north and west of the UK suffering, while the south-east has benefited. That leads me to what might be a soundbite but which has a certain truth: we have regional pay already, but in favour of the south-east. In part, that is because we have too weak a private sector, which needs support and investment to develop, as we in Plaid recommended in our economic renewal plan.

Support for the private sector in Wales may seem a peculiar position for a lefty nationalist to take, and I can see some eyebrows rising around the Chamber already. Unlike the Unionist parties, however, we see no long-term benefits in being continually tied to fiscal transfers from London. That is not the position in which we want to see our country. We want to be as successful as any other part of the UK or of Europe. It is a mark of the failure of the current Unionist settlement that parts of Wales have a gross value added that is low enough to take advantage of European convergence funding. Many parts of Wales have a GVA of less than 75% of the average, so we get large transfers from Brussels. Such transfers are welcome, but we do not want to be in that position at all. That situation is the result of the major economic decisions made in London, where the main economic levers are held. To thrive, the private sector in Wales needs support for it to grow. We need much better infrastructure and the Government to give the support and advantages that will allow companies the opportunity to develop. That has not happened over a long period, and it requires a broad mix of Government policy and a fair economic wind.

Chopping back the public sector in all the guises introduced by the Government—real-terms pay cuts, 710,000 job cuts according to the Office for Budget Responsibility, and the pickpocketing of pension contributions—will not improve the private sector in Wales one jot. Clearly, as anyone who has looked locally at the economy in Wales or elsewhere knows, there is a strong relationship between the public sector in our areas and the private sector. Cut the public sector and the private sector is hit hard.

The effect of any regional pay policy would be to depress wages in the public sector throughout Wales, which will have a strong knock-on effect on the private sector, because families will have less disposable income. Families with less income will purchase fewer goods and services locally, therefore providing less circulation of income for the local private sector.

Chi Onwurah (Newcastle upon Tyne Central) (Lab): I thank the hon. Gentleman for giving way and the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) for securing the debate. As well as depressing salaries in the public sector and therefore in the private sector, and given that many of the people affected are already not well paid, will not regional pay cost the state more in working tax credit, housing benefit and the other benefits with which we subsidise low-paid workers?

Hywel Williams: The hon. Lady makes a fine point. As so often with the policies of this Government and at times, I fear, of her own Government previously, there is no apparent understanding that the system is such that if we cut off a large branch, the tree itself will be affected. I agree with her entirely.

Helen Goodman: The hon. Gentleman is absolutely right. In the north-east, the proposal has the potential to take between £500 million and £1 billion out of our regional economy every year, and yet the switch in capital to our regional economy under the Chancellor's autumn statement was 0.1% or £4.1 million, which is completely unbalanced.

Hywel Williams: Indeed. The hon. Lady's point is pertinent to the debate.

When cuts were made to wider public sector budgets, the effects were largely on the public sector, of course, but also on the para-private sector—companies that have contracts with the public sector—which is integral to local economies. Similarly, those whose livelihoods depend on services to those in employment will be at risk from the proposals. As well as the local economy, a whole host of small companies that service the public sector in our regions will be affected.

I have great sympathy with Labour Members—I am pleased to see some of them here today—but I appreciate that they will be fighting the proposals with one hand tied behind their backs. It does not please me to make the point about the introduction of regional pay by the previous Government, but the Labour Government promoted the idea. They floated it in 2003, and they introduced it in the Courts Service in England and Wales in 2008, when it was not entirely successful. The Public and Commercial Services Union has told me that regional and local pay in the Ministry of Justice has not been a success, and that with the introduction of local pay in the Courts Service in 2007, there were problems with regional pay zones in the Ministry of Justice. The policy created inequalities and tensions, and it was ultimately unsuccessful and had to be reformed. I hope that lessons have been learned, but I worry that the wrong ones might have been learned.

I conclude by saying that the effect of regional pay will be far-reaching and negative and that it will not improve the private sector. There is a strong likelihood that it will lead to institutionalisation of low pay in some places, and it will certainly make it much more difficult to attract new workers, as my hon. Friend the Member for Carmarthen East and Dinefwr has said. The Treasury must reconsider its stance, and I will certainly contribute to the debate as it develops, as will my hon. Friend and my right hon. Friend the Member for Dwyfor Meirionnydd (Mr Llwyd).

I apologise if my final point sounds light. I am pleased to see that Conservatives in Wales are represented here. The comments of the hon. Member for Montgomeryshire (Glyn Davies) were interesting.

I appreciate that Scottish Tories may have problems in mustering manpower. It has been said that there are more pandas in Scotland than Tory MPs, and if the London Conservative and Liberal Democrat Government push the regional pay issue through, Tory MSPs in Edinburgh will be rarer than polar bears on the Clyde.

Mr Christopher Chope (in the Chair): Order. Some hon. Members have indicated to me informally that they wish to participate in the debate. However, I will not call anyone if they do not rise and seek to catch my eye. This is the new year, a time to exercise the muscles and become fitter, so perhaps hon. Members who wish to speak will rise in their place.

10.13 am

Chi Onwurah (Newcastle upon Tyne Central) (Lab): It is a pleasure to speak under your chairmanship, Mr Chope. I congratulate the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) on securing this debate, and on the many excellent points he made in his introduction. Other excellent points were made by my hon. Friends the Members for Bishop Auckland (Helen Goodman), for Easington (Grahame M. Morris), and for Middlesbrough South and East Cleveland (Tom Blenkinsop), and by the hon. Member for Arfon (Hywel Williams). I do not intend to speak for long, or to repeat the many points made about the implications for regional pay and the regional economy. I intend to focus on what the plans say about the economic policies of this Tory-led Government.

The Tory-led Government talk a good talk about the key challenges facing our economy: the rebalancing away from the service sector towards manufacturing, and away from the south and London towards the regions, including the north-east, where my constituency is. Those challenges are important because of the huge consequences of the financial crisis, which was brought about by an over-focus and over-concentration of the economy on financial services. It will be remembered that when we went into the financial crisis, we had the second lowest deficit in the OECD, but we suffered more greatly because of over-dependence on financial services.

What do the proposals mean for the economy, and particularly for rebalancing it towards manufacturing and the regions? My hon. Friends have made some excellent points about driving higher-paid workers in the public sector away from the regions, and about the impact on the ability of the regions to attract higher-paid private sector workers. I want to focus on what the proposals will mean for those on lower pay.

The evidence shows that the disparity between public and private sector wages, such as it is, is focused on the lower section. The Policy Exchange, in its analysis, admits that the pay advantage, as it calls it, is not evenly distributed and is higher in lower grades, particularly among the bottom 10% of public sector workers. From my experience of working in the public sector as a chartered engineer, I know very well that at the higher end, professional engineers, for example, are much better paid in the private sector than in the public sector. Seeking to equalise pay rates in the private and public sectors in the regions will inevitably reduce the wages of the poorest-paid. What does that say about the Government's policies and intentions?

We may disagree about the exact causes of the financial crisis, and where the blame for it should lie, but I think we all agree that the poorest people in the country did not cause it, so why are Government policies again targeting the poorest people? The poorest people will pay because, as the hon. Member for Arfon said, depressing wages at the lower end of the public sector will inevitably have an impact on the private sector. Indeed, in their proposals, the Government intend to reduce salaries in the public sector, which must have a knock-on effect on the private sector.

We should remember that salaries at the lower end of the public sector, as in the private sector, are not those on which a family—or often even an individual—can live. The minimum wage is not a living wage, and for that reason, Newcastle city council is working towards a living wage in the most difficult economic circumstances. Low-wage and minimum-wage employers often have to be subsidised by the state, in that working tax credit and housing benefit are needed to enable their employees to live decently, so depressing private sector salaries will cost the state more in benefits.

Let us consider how the private sector will react. We know that the ideological basis of much of the Government's approach to the economy is that destroying the public sector will provide space for the private sector to leap in, create jobs and new opportunities, and drive the economic recovery forward. I believe that the economic recovery must come from a growth in private sector jobs, but it is clear, after more than a year and a half of this Government, that the private sector cannot create the necessary jobs and growth without the support and partnership of an active public sector, which, by its very nature, includes experienced, well-paid and secure employees who are able to support private sector activities.

I speak regularly to local businesses in my constituency, and they all want to play a part in driving forward growth and creating a resurgence of jobs in the region. People tell me not that wages are too high, but that they need: more public sector support in areas such as skills; investment in shared resources, infrastructure, and transport; and measures to increase confidence and buying power among the public. Reducing the salaries of public sector workers in Newcastle will reduce people's confidence and lessen the prospect of private sector employers increasing employment and stoking growth.

How can the Minister justify targeting the poorest people in our society to pay back a deficit that is due to a crisis caused by a rampant financial sector? We have had 18 months of an ideological experiment, on a national basis, that clearly has not worked. Depressing local wages will not only drive out more skilled constituents, but will hit the private sector in regions that are already vulnerable and most greatly affected by public sector cuts. This ideological experiment has run its course, and the Government's proposal yet again takes it too far.

10.22 am

Phil Wilson (Sedgefield) (Lab): It is a pleasure to serve under your chairmanship, Mr Chope, and I congratulate the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) on securing the debate. The issue of regional pay is important for people living in Wales, Scotland and Northern Ireland, and in regions such as the north-east of England.

[Phil Wilson]

I spoke about regional pay, or the localisation of pay, in a debate on 6 December 2011, and the issue has been on the agenda for Governments since at least the 1980s, when I was a civil servant in Durham. The Megaw report wanted to devolve public sector pay in the civil service on a regional basis, but that proposal did not get anywhere. Introducing local rates of pay is difficult. The previous Government looked at the issue with regard to the public sector, and a Treasury guidance note from 2003 stated:

> "At the extreme, local pay in theory could mean devolved pay…to local bodies. In practice, extremely devolved arrangements are not desirable. There are risks of workers being treated differently for no good reason. There could be dangers of leapfrogging and parts of the public sector competing against each other for the best staff."

That is the basic, fundamental reason why devolution of levels of pay in the public sector has not been introduced.

This is a time of austerity. Public sector pay has been restricted and will not be increased for two years, and then it will increase by just 1% for two years. Let us look at markets in the north-east of England; if we had devolved local pay bargaining, people might say that pay should be frozen in that region for another year because of the difference between the public and private sectors. Do the Government believe that public sector workers in some parts of the country should have a pay rise, while those in other places should not receive one, because, according to Government analysis, the pay difference between the public and private sectors is too big?

We should not look at only one region. The difference in pay in the north-east and in the south-east of England is 10%, and we should try to decrease that. Why is it right for a nurse working at St Thomas' hospital, across the way from here, to be on a different pay rate from a nurse who works at the university hospital of North Tees in my constituency, or in Bishop Auckland or Hartlepool? I cannot see how that can be right if both nurses are doing the same job. Many private sector companies, especially supermarkets and some banks such as Santander, have national pay agreements. There may be some flexibility within those agreements, but they have national pay systems. To say that some public sector workers should suffer austerity measures for longer than others because of where they live is divisive. How can we encourage a public sector worker to move from south-east England to the north-east to do exactly the same job if the rates of pay in the north-east are completely different from those in London?

Tom Blenkinsop: My hon. Friend makes an excellent case. There are institutionalised national bodies that survey and assess prices in supermarkets. How on earth would regionalised public sector pay work in an economy with five or six big supermarkets that are supposed to have national rates for pricing their goods?

Phil Wilson: My hon. Friend raises an important point. One reason why the previous Government did not introduce such measures is because the complexity of having different pay bodies, boards and regions would create unnecessary bureaucracy, which any Government should want to keep to a minimum.

In north-east England, average pay is £19,000 per year, but it is only that high because of public sector workers in the area. How low does the Minister want pay in north-east England to be? Public sector workers maintain the average salary at £19,000; without them it would be much lower. The differential in rates of pay is not a reason for cutting pay or suspending pay rises in the public sector. Instead, we should see how we can increase pay in the private sector.

Tom Blenkinsop: Again, my hon. Friend makes an excellent point, and it would be good to see the Minister thank and congratulate north-east England: although in the rest of the country the manufacturing economy is in the doldrums, the north-east is bucking that trend. Workers in the steel and chemical processing industries would undoubtedly be affected by any reduction in public sector pay.

Phil Wilson: My hon. Friend is absolutely right, and those workers will soon be joined by workers in the train building sector, in the factory in Newton Aycliffe. As I understand, the north-east exports more manufacturing goods than it imports.

The private sector has a major role to play, and we need an increase in private sector jobs. At the moment, however, 67,000 public sector jobs have been lost in north-east England, and unemployment has risen to 11.6%. Where are the private sector jobs? How can we say that the public sector is crowding out private sector jobs when unemployment is rising and there is no growth to make up for the loss of 67,000 public sector jobs? Figures from the third quarter of last year show that the number of private sector jobs in the UK increased by only 5,000. Many regions such as the north-east are losing out.

I am very worried about what will happen. There is a big pay differential between the south-east and the rest of the country. The differential between regions other than the south-east is minor; it is only 1% or 2%, depending on what goods we compare. We talk about social mobility, and about people getting on and wanting to move to different parts of the country; how will that be possible if pay rates are so different across the country?

Also, we will not create regions as we know them; we will create silos. If people work in the public sector in the north-east, that is where they will have to work, because if they want to move to south-east England or somewhere else, they probably will not be able to afford to buy a house there. There is great difficulty with that at the moment. Let us not forget that in London, where there is London weighting, there is a big problem with recruitment in the public sector as well.

The proposal is a knee-jerk reaction that has not been thought through. I know that the Chancellor of the Exchequer has said that this will not be regional pay as perhaps it was outlined in the past, and that it will be based on zones or localities. That may be so, and it may have been tried out in the Courts Service; let us say that it has been tried there. The fundamental point is that the previous Government did not want to implement it anywhere else, because they knew about the inherent contradictions involved in doing that.

North-east England is a great place to live. I have lived there all my life. I see it as a region of the country with a great identity. I do not want it to become a silo,

such that if people work there in the public sector, they cannot work anywhere else. I do not want public sector workers in north-east England to have to face extended periods of austerity because they happen to be working in the wrong part of the country.

We need to look at the private sector. I want private sector jobs to come to the north-east of England, and I want those private sector jobs to have good pay rates. This week and over the weekend, every party has been going on about high pay among senior executives. Okay, let us consider that, but let us also consider low pay in the private sector and not just in the public sector, because private sector workers make up the majority of workers in the country. The answer to the problem is not regional pay or localised pay—it is a living wage for all our people.

10.32 am

Owen Smith (Pontypridd) (Lab): It is a pleasure to speak under your chairmanship for the first time, Mr Chope; happy new year.

I, too, offer my congratulations to the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) on securing this important debate, which, as he has rightly pointed out, will be one of the defining debates in respect of economic policy over the coming period. He made a series of telling and well argued points. It was slightly ironic to hear a nationalist Member of the House arguing in effect in favour of collective bargaining on a national, British basis right across the UK. Nevertheless, it was a very interesting point.

Jonathan Edwards: I make no apologies for what I said, because at the moment sovereignty over these issues resides in this place, and as someone who has been sent here to represent the ordinary working people of Carmarthenshire, I will continue to do so as long as that is the case.

Owen Smith: I am grateful to the hon. Gentleman for that intervention and pleased that he makes no apologies for what he said. I entirely agree with the arguments that he made in respect of solidarity and collaboration right across the UK for people who have similar interests across Britain, whichever area of the country they live in. I wholeheartedly share his views about that, which is why I am a Unionist, not a nationalist, on today of all days.

I congratulate the hon. Member for Arfon (Hywel Williams), my hon. Friends the Members for Newcastle upon Tyne Central (Chi Onwurah) and for Sedgefield (Phil Wilson), who made a powerful speech, and of course the hon. Member for Montgomeryshire (Glyn Davies), who I am delighted is taking up the challenge of telling the Secretary of State for Wales and the Chancellor of the Exchequer that we need a proper review to address this very complex issue—as he described it—as opposed to a couple of private letters to the heads of the national pay review bodies.

Public sector workers must wake up every morning wondering what this Government will do to them next. We have seen the continuing pay freeze; we have seen additional cuts in wages when inflation is taken into account for the next two years; we have seen the 3% additional effective cut in wages as a result of the changes in public sector pensions; and 710,000 public sector workers, up from the 400,000 previously admitted to, are waiting to see whether they will be in a job at the end of this spending period.

Against that backdrop, there was the bombshell in the Chancellor's autumn statement that regional pay will be re-examined. The Chancellor said that the evidence suggests that regional pay should be considered, because there are disparities between pay bands in the public sector across the UK. As we know, the Chancellor is very keen on evidence-based policy, so I thought that I would assess the evidence in respect of regional pay to date, because we have some experience of it.

London weighting is well established. It is a means of trying to deal with the problems, particularly in respect of housing, for people working in London on lower public sector wages. The previous Government sought to expand that by looking at key worker status and further help for key workers in London. As several hon. Members have said today, and as the Chancellor said repeatedly when he appeared before the Treasury Select Committee, we also have the experience of the Courts Service. However, the Chancellor has been slightly less than fair with the facts in respect of the Courts Service. The fact is that the Courts Service changes that were introduced in 2008—the previous Labour Government introduced zonal pay and five zones across the UK—were a significant improvement on the disparities that existed hitherto. The Courts Service came together in 2005. There was a merger involving the magistrates courts, the county courts, the Crown court and the Supreme Court. Before that point, more than 50 rates of pay were being applied across the Courts Service, so we went from 50 to five. The reality is that despite protestations by some of the unions at the time, most members happily opted into that service; indeed, more than 95% did so.

Opposition Members, who believe in evidence-based policy, would like the Government properly to review the experience of workers in the Courts Service. They should consider retention, rates of pay and the way in which the system has facilitated movement or otherwise across the country, and bring that to the table as part of the evidence for the current proposal.

Glyn Davies: It has become fashionable for Opposition Members to disown the policies of the previous Government and, in fact, to disown their own policies at the start of this Government. I have listened to the hon. Member for Pontypridd (Owen Smith), who has discussed the five regional zones and evidence-based policy. He has described the current proposal as a bombshell, which indicates to me that he has no interest in the results of the inquiry. All we are hearing is knee-jerk opposition to make a point before we have even heard the facts.

Owen Smith: For the third time, I have to tell the hon. Member for Montgomeryshire that there is no inquiry. A couple of letters have gone from the Chancellor to the heads of the pay review bodies asking them to come forward with evidence on how local pay might reflect local market conditions, which is not an open inquiry. I thought that the hon. Gentleman had taken up the challenge to appeal for an inquiry.

[Owen Smith]

The world has changed since the policies were implemented in 2008 on the Courts Service, which took place in an economy that was growing right across the UK. The world has changed. When the facts change, we reconsider our views, and we are doing that right now. We are thinking about the meaning of the Government's proposals on regional pay and what the evidence shows us. We will come to a considered view when we know what the Government are proposing, but let us look at the evidence.

Of course, it was a previous Tory Chancellor, in the 1990s, who first talked about introducing regional pay on a much wider scale. What happened in the NHS? Local bits of the NHS were given the right to conduct local bargaining, but they lacked the necessary experience and were unable properly to assess local market conditions. As a consequence, there was more than a year's delay before regional pay bands were set. When regional pay bands were set, the differential across the country was 0.1%. The rationale for that was, of course, that managers understood that, given the problems and complexity that widespread differentials would throw up, a collective agreement right across the country was the best possible option. The Chancellor agreed, and a year later he took back the power, concerned that there might have been spiralling costs had the situation continued.

Hywel Williams: Will the hon. Gentleman give way?

Owen Smith: I will give way in a moment.

NHS trusts have the capacity to engage in a greater degree of differentiation, but by and large they do not do so, because they accept that it would be unfair and lead to unintended consequences. We saw some such unintended consequences when the police looked into regional pay. In the London Metropolitan area, there was an agreement a few years ago to offer a much higher rate of pay to Metropolitan police officers. The unintended consequence was that officers transferred in droves from the areas around central London, and outer metropolitan boroughs consequently had to set higher rates themselves. Such a policy leads to unintended consequences and involves significant risks, so the Government need to think carefully before they pursue it.

Hywel Williams: I do not want to dwell on the policies of the previous Government, because I think that those of the current one are infinitely more damaging, but before we leave 2008, will the hon. Gentleman confirm that the previous Government were not considering regional pay in any other part of the public sector apart from HM Courts Service? Was it just the Courts Service?

Owen Smith: The hon. Gentleman knows that I was not in the House in 2008, but as far as I am aware, we introduced the policy in the Courts Service and there was further consideration. The former Prime Minister, my right hon. Friend the Member for Kirkcaldy and Cowdenbeath (Mr Brown), certainly talked about regional pay, but we did not introduce it in other areas. At the end of our period in government, there had been some experimentation in respect of the Courts Service, but we did not introduce the policy elsewhere.

Let us look at what happened at the Courts Service and consider where we go from here, because there are significant risks. At the time, the Government, and certainly the Treasury, understood that there were risks. My hon. Friend the Member for Sedgefield has mentioned the Treasury paper in 2004-05, which stated that

"extremely devolved arrangements are not desirable. There are risks of workers being treated differently for no good reason. There could be dangers of leapfrogging and parts of the public sector competing against each other for the best staff."

That takes us to the motive: why have the Government now decided to bring this forward? If it was not a good idea a few years ago, why is it a good idea now? The reason is, of course, found in the two issues that they have with the public and private sectors. First, they believe in a totally outmoded, almost Manichean split—the public sector is bad, bloated and inefficient and the private sector is good, lean, hungry and eager to work. That is their understanding.

Secondly, the Government have a thoroughly outmoded notion that cutting the public sector and effectively forcing people to transfer to the private sector—through actively cutting jobs, as we heard was the strategy in the Budget, or through reducing regional pay, as we now hear might be the strategy—will somehow inflate the private sector. There is absolutely no evidence to support that. It is a totally misguided prescription, and one I fear that the Government will repeat.

The Treasury has said that the reason for looking at getting rid of national pay bargaining is to produce

"an economic reform to boost regions of the economy that are over-dependent on the public sector. All the evidence is that flexible public sector pay to reflect local labour market conditions will allow the private sector to flourish."

Show us the money and show us the evidence, because we cannot see it at the moment. We can see a pamphlet with a lot of inflammatory language about the Manichean split between the fat public sector and the lean and hungry private sector from a think-tank which is pretty close to the Prime Minister and which some would say is a free-market, right-wing organisation, but apart from that I do not see a lot of evidence to support the position.

I suspect that the Minister will come out with some inflammatory comparisons, but I hope that she will not. We have heard so often about paramedics earning 16% more in the public sector than in the private sector, and I hope that we will not hear such unnecessary and unfair comparisons now. As the Institute for Fiscal Studies itself has said, such comparisons do not take into account the fact that there are invariably older and more experienced workers with better qualifications in the public sector. When such factors are taken into account, the differential between the public sector and their private sector counterparts is perhaps only 2%.

Jonathan Edwards: The hon. Gentleman makes a very important point. This morning, the Bevan Foundation responded to the debate by stating that the IFS figures do not compare like with like and that it is deeply misleading to use the figures in that way.

Owen Smith: I entirely agree. The evidence is shaky and a leap of faith is required—just as we were meant to believe that cutting the public sector would lead to a flourishing private sector. As we have heard, there is no

reasonable basis for making that leap of faith. On job creation in the public versus private sector, we learned that in the last quarter, for every 13 jobs lost in the public sector, only one was created in the private sector. That is the reality of what is happening in the economy. We should not take, with any degree of faith, the Government's reassurances that changing regional pay will make a key difference.

On both sides of the House, we have come to understand that fairness is an important theme in modern politics. In politics, we seem to be tussling daily over who can be the fairest, and the Government have to stand against the test of fairness on this issue. They need to answer the question whether it is fair to target public sector workers once more to pick up the bill for a crisis in our economy that they did not cause. Is it fair for the Government to implement a policy that will once more impact disproportionately on less affluent areas that have greater health problems due to the legacy of heavy industry and other issues? Is it fair to implement a policy that will suck demand out of their economies and further reduce the incomes of people living there?

The Government have a manifestly failing economic strategy to reduce the deficit that has led, on their admission, to an increased level of borrowing—£158 billion extra is being borrowed as a result of the their policy. That is why they are thrashing around looking for extra savings and why they are countenancing further unfair and destructive measures. They need to think hard about the policy, conduct a proper review and provide evidence to substantiate their dangerous claims.

10.47 am

The Economic Secretary to the Treasury (Miss Chloe Smith): Happy new year, Mr Chope. I am sure that it is an honour for us all to take part in the first debate of 2012, so let us enjoy ourselves for that reason. I thank the hon. Member for Carmarthen East and Dinefwr (Jonathan Edwards) for securing what has been a thorough and interesting debate. It might not be a new debate, as my hon. Friend the Member for Montgomeryshire (Glyn Davies) said, but it is extremely important none the less.

The policy is not about saving money—I shall pause for the hon. Member for Pontypridd (Owen Smith) to draw breath—but about supporting economic growth, and I will go through the reasons why the Government believe that the policy could do that. A simple fact of life that needs to enter the debate is that public and private sector organisations compete for employees in different markets across the UK. There is no way around that fact. Equally, there is no way around the fact that private sector pay is, on the whole, set locally and that public sector pay is usually set nationally. I will set out two effects that those differences can have before going on to the meat of the debate.

The differences can do three things. First, they can hurt private sector businesses that have to compete in certain places with higher public sector wages. Secondly, they can also lead to unfair variations in the quality of public services—something on which I am sure that we would all have more to say, had we another hour and half in which to debate it. Thirdly—this is crucial—if a higher than locally desirable wage bill is set, public sector money is not always allocated as effectively as it could be within local areas. That has a knock-on effect on what the public sector can do with its remaining budget, which has a further knock-on effect on the number of jobs that the public sector can support.

Hywel Williams: To the contrary, given the problems of mobility of public service workers that would inevitably arise with regional pay, what consideration are the Government giving to the direction of labour in the public sector?

Miss Smith: If I have understood that correctly, it is about what definition the Government are giving to labour in the market. I beg the hon. Gentleman's pardon—

Hywel Williams: The direction of labour. It is a good old-fashioned socialist policy.

Miss Smith: Absolutely—which I am clearly not ready for at 10 to 11 on a Tuesday morning.

The point that I was going to make, which is the most important one that I want to leave behind in this debate, is that the Government have set out no detailed proposals at this stage. As I think all hon. Members know, the proposal that has been made so far, through the autumn statement and subsequently, is only to ask the experts how public sector pay might better reflect local markets. I, for one, do not have a problem with that being done by letter. I hear what hon. Members have said about that. However, I am also particularly delighted that the hon. Member for Pontypridd changes his mind when facts change. I hope that in this case also he will wait for the evidence.

Owen Smith: Does the Minister accept that the Chancellor has clearly indicated that he is in favour of the reform? He spoke before the Treasury Committee, and no one can be in any doubt that he thinks it is a good idea.

Miss Smith: It is perfectly possible to think that something is a good idea and then to ask experts how it could happen.

Helen Goodman: Does the Minister therefore accept that all that has happened is that the Chancellor has asked how the idea could be implemented and how it would work and that no consideration is being given to the proposal's overall economic impact?

Miss Smith: The best possibility of dealing with the overall economic impact will be when facts and data have been received. That is the point of the process that the Chancellor has laid out.

To move on to the content that we need to get through, hon. Members should be in no doubt about how important the public sector is and about the fact that the Government share that view and the desire for all parts of the economy to do well in the coming years. However, fiscal consolidation is a vital precondition for growth and part of the sustainable foundation that will let all sectors and all parts of industry do well and do what they need to. It is also part of achieving even growth across the country. It is right that public sector pay restraint should play a part in that fiscal consolidation. Public servants do a crucial job in delivering the high-quality services that we all look for, and it is right that we continue to offer the kind of rewards that attract the most skilled people to the public sector. However, it is incontrovertible that public sector wages on average continue to compare extremely generously to those of

[Miss Chloe Smith]

private sector workers. The Institute of Fiscal Studies, which has already featured in the debate, suggested that there is on average a 7.5% premium to working in the public sector over comparable jobs in the private sector. That makes a strong case for public sector pay bill restraint.

I want to discuss the rationale for the policy suggestion that has been made and the Chancellor's effort to seek views on how it can be carried out. We must ensure that public sector pay is set at the right level for each labour market in the long term. I want to make it clear again that the proposals are not about generating savings, but about supporting economic growth by ensuring that wages are set at the level in individual localities. Indeed, a significant reason for the disparity between public and private sector pay is due, as I have mentioned, to the difference between pay that is set locally and pay that is set nationally. Typically, private sector pay is more subject to the rates paid by local competitors, the local cost of living and perhaps, in some cases, local turnover rates. However, public sector pay is usually set on a one-size-fits-all basis nationally. Accordingly, public sector workers can often be paid more than private sector workers in similar jobs in the same area. That has potentially damaging consequences for the economy. For example, private sector businesses, perhaps such as the one that my hon. Friend the Member for Montgomeryshire once ran, which are looking for staff to help them to set up or grow, need to compete with much higher public sector wages in the same area. That is the ultimate crowding-out argument within the debate.

I want to refer briefly to the system of zonal pay in the Courts Service, which has been mentioned. It demonstrates that it is possible for pay to be responsive to local labour markets within a national bargaining framework. Of course, those zones did not simply conform to regional boundaries, but took into account the local economy by, for example, putting Norwich, Exeter and Newcastle in the same zone. The debate has a misnomer at its heart. In the autumn statement, the Chancellor announced local pay, not regional pay, so we are not talking about something that might take effect at the level of Wales. We are talking about something that may, depending on what the experts say, happen at a lower level.

Phil Wilson: How local is local?

Miss Smith: I will just have to repeat myself on this point: depending on what the experts say, it will be at a more local level. That is what I, for one, look forward to from those experts, as, no doubt, do all those people who like facts.

The Government are not setting out detailed and prescriptive proposals. The hon. Member for Sedgefield (Phil Wilson) would no doubt like me to give a quote, but I shall not give him that pleasure this morning. Public sector work forces have a variety of pay structures, as has been mentioned. The Chancellor has therefore written to the independent pay review bodies to ask them to consider how to make public sector pay more responsive to local labour markets. They will report back with interim findings by July. That will include union evidence, to answer the question of the hon. Member for Bishop Auckland (Helen Goodman). I shall be absolutely clear about who will be included in the scope of the relevant body: it will be the NHS, excluding doctors and dentists—again, to respond to a point made by the hon. Lady—and it will include teachers, prison officers and the senior civil service. To respond to the hon. Member for Middlesbrough South and East Cleveland (Tom Blenkinsop), it will not include the police, who, as he knows, will be subject to the Winsor review.

The Minister for the Cabinet Office will co-ordinate and assist Secretaries of State in exploring how local, market-facing pay could be introduced in civil service Departments. As to the devolved Administrations, public sector pay in devolved areas is a matter for them, except for those areas where workers are covered by a national pay review body. That said, we are keen to see local market-facing pay introduced across the UK, and we urge all devolved Administrations to consider issuing separate remits for the relevant pay review bodies within devolved areas.

The hon. Member for Carmarthen East and Dinefwr asked me about an impact assessment on how the approach taken in the Courts Service turned out. Very speedily, I can offer him a couple of points about what happened across that experience. First, staff adoption was at 97% over a year later. Secondly and more broadly, analysis conducted after the reforms showed that the majority of locations had a healthy turnover and that the Ministry of Justice was able to recruit and retain staff throughout the country. He also asked me about the Office for Budget Responsibility costs of the public sector work force. If he would let me have that question in writing, in more detail, so that I can answer him as accurately as I can, I would be happy to do so; but I must finish a couple of other points in a very short time.

Public sector pay restraint and reforms to local pay policy are a key step to supporting local economic recovery and growth. Indeed, supporting regional private sector growth has been at the heart of the Government's growth strategy. Hon. Members may want to consider, for example, the £30 billion of investment in infrastructure projects across the UK set out in the autumn statement, enterprise zones and the regional growth fund. We need to look at the aims and the areas and communities that are dependent so far on the public sector to support them in making the transition to private sector-led growth and prosperity.

Hon. Members have rightly talked about the need for fairness. As we all know, many families face difficult prospects. That is why the Government have taken practical steps to provide support, including—as the hon. Member for Newcastle upon Tyne Central (Chi Onwurah) will welcome—having gained more from a tax on bankers every year than the previous Government did in a single year. She will also welcome the protections for the lowest paid during the public sector pay freeze, the deferring of January's scheduled fuel duty increase and the decisions that have lifted more than 1 million out of income tax altogether.

The Government have already taken considerable action to achieve strong, sustainable and balanced growth that is more evenly shared across the country. By moving towards local public sector pay, we can ensure that we have high-quality public services across the UK and do not crowd out private sector recovery.

History Teaching

11 am

Chris Skidmore (Kingswood) (Con): I thank the Speaker for selecting this subject for debate and am grateful to have a second opportunity to talk about history in schools. When I raised the topic during the Christmas Adjournment debate, I said that if I were to choose one Christmas present, it would be to make history compulsory to the age of 16 in schools. I might have been a bit too hasty in making that wish, however, because the national curriculum review is set to continue for another two years.

Today is a good opportunity for Members to discuss the teaching of history in schools and whether it should be compulsory to the age of 16, as it is in most other countries in Europe. As I said in the Adjournment debate, it is a mark of shame that we, along with Albania, are the only European country that does not teach history in some form beyond the age of 14.

In the Adjournment debate, I mentioned a report that I have written, "History in Schools: A School Report". I am happy to give a copy to any Member who is interested in reading it; the Minister already has one to hand. Essentially, my report highlights the state of history in schools today, and it does not seek to make party political points. In 1997, a paltry 36% of pupils studied history GCSE. Last year, the number dropped below 30% to 29.5%. Those figures, however, hide what is happening with history across the country. Instead of uniting us as one nation and allowing us to have a coherent national identity, the subject has divided us into two nations of haves and have-nots.

In my report, I break down all the figures by local authority and show the number of pupils taking and passing history at GCSE. In 77 local authorities, fewer than one in five pupils is passing history GCSE. However, the situation is even worse than that. In local authorities such as Knowsley, fewer than 8% of pupils are passing history GCSE.

Sir Bob Russell (Colchester) (LD): The hon. Gentleman has given us the headlines. Does he share my concern that at local history level, the figures are even worse? Pupils do not know what has gone on historically in their own local areas.

Chris Skidmore: I agree with the hon. Gentleman, and I will come on to that topic later. First, as a good historian, I want to set out a narrative of what has gone on in the country so far and then to debate what we should do about it. I entirely agree with the hon. Gentleman that local history should feature more prominently in the curriculum, but more on that anon.

In 77 local authorities, fewer than one in five pupils are passing history GCSE. In one local authority, Knowsley, the figure has gone down to 8%, with just four pupils out of 2,000 passing history A-level.

Kevin Brennan (Cardiff West) (Lab): Let me understand what the hon. Gentleman is proposing. Does he think that the teaching of history post-14 should be compulsory in academies?

Chris Skidmore: I was going to get on to another figure. In 159 schools, not a single pupil is being entered for history GCSE, which includes academies and comprehensives—it is roughly balanced between the two. We must have an honest debate about the curriculum. The national curriculum in the 1990s intended to make history compulsory to 16, and we should be looking to do that in academies, comprehensives and all other schools.

Bob Stewart (Beckenham) (Con): Is it my hon. Friend's intention to make sure that every student studies history until GCSE level? If students are taking GCSEs, which presumably most of them are, they will therefore take history at GCSE, which is something that I totally support.

Chris Skidmore: I want history to be compulsory in some form to 16. I will come on to the important issue of the qualification later. Just as maths, English and science are compulsory in all schools, so too should history. Education is about not simply providing skills, knowledge and requirements for jobs, professions and universities—or whatever route or career a pupil may decide to take—but creating a canon of knowledge. I want every pupil to leave school not only with the basics but with an understanding of the basic principles of our constitution and history. They should have a rounded education and history plays a vital role in that.

Kevin Brennan: By what mechanism would the hon. Gentleman like to make history compulsory in academies, given that academies are exempt from the national curriculum?

Chris Skidmore: I am startled by the hon. Gentleman's response. He was a Minister once.

Kevin Brennan: And a teacher.

Chris Skidmore: The hon. Gentleman knows very well that although academies are exempt from other subjects in the national curriculum, pupils still have to study maths, English and science. Those subjects are compulsory, and academies are bound by law in academy frameworks and agreements to provide them. Under my proposals, history would be included in the same way.

Kevin Brennan: In the agreement?

Chris Skidmore: Yes. Let me take a few more interventions.

Rehman Chishti (Gillingham and Rainham) (Con): I congratulate my hon. Friend on securing this very important debate. I studied history at A-level. Let me suggest where we should go from here. Certain schools, such as Chatham grammar school where I am currently a governor, have now brought in the E-bac system in which the humanities, history or geography, have to be taken by students up to the age of 16 for GCSE. That is the way forward. Under this Government, people are being pushed to take history and there is a recognition of its importance in our curriculum and in our understanding of our country.

Chris Skidmore: The E-bac is a welcome development, but we must go further. When looking at grammar schools and selective schools, it is interesting to look beneath the statistics. In comprehensive schools in 1997, 169,298 pupils took history GCSE. That figure has now dropped to 155,982. *[Interruption.]* The hon. Member for Bishop Auckland (Helen Goodman) is chuntering. Would she like to say something?

Helen Goodman (Bishop Auckland) (Lab): Will the hon. Gentleman tell us why there has been this decline in the study of history? What is his analysis of why this has come about? Is it to do with the interest of the pupils?

Chris Skidmore: The decline has been a slow one. I do not wish to make party political points during this debate. David Cannadine's excellent new book, "The Right Kind of History", shows that these debates have been going round in circles since the early part of the 20th century and that lamenting the decline of history is nothing new. What is new is that we are competing in an international market against other countries, the pupils of which are being rigorously taught and assessed in all subjects and are driving forward in a way that our pupils are not.

There are some schools in which pupils take history to 16. My hon. Friend the Member for Gillingham and Rainham (Rehman Chishti) has mentioned a grammar school in his constituency. It is of interest to me that while the numbers taking history GCSE have been declining in comprehensive schools, they have been increasing in grammar schools since 1997. Although we have 29.5% of pupils in comprehensive schools taking history GCSE, we have 55% of pupils in grammar schools taking history and 48% in independent schools. The gap between grammar schools and comprehensive schools in terms of the proportion of pupils who are taking history GCSE has increased from 17.4% in 1997 to 24.9% in 2010, which is a real problem. The growing divide in education is no longer just about standards in different parts of the country but about the subjects that we choose to take at school. I worry how that will affect our national identity.

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): I thank my hon. Friend for securing this debate and pursuing the topic. Does he agree that part of the decline began in the 1970s? Let me declare an interest here; I was a teacher in the 1970s. History teachers were almost compelled to change the nature of what they were teaching to encompass what is known today as the schools history project. Instead of teaching the narrative, teachers were forced to try to teach 11, 12 and 13-year-olds to become historians. What happened then was a loss of confidence and interest in what history teachers were trying to do.

Chris Skidmore: When we look at the nature of the curriculum itself, we see that there have been historical problems. My hon. Friend was a secondary school history teacher before he entered this House and therefore has a wealth of experience—probably more than me—of what actually happens in schools with teaching history. He also knows that, although we may talk about the curriculum and assessment and examination structures, if we are going to make history compulsory to 16, for pupils themselves history will only be as good as the teachers who teach it, which is obviously a crucial issue. We all remember our great teachers when we were at school. I had great history teachers, which was one reason why I ended up on the road to becoming a historian before I entered this place.

The Ofsted report, "History for all", showed that history teaching was "good" or "outstanding" in 63 out of the 83 primary schools that Ofsted assessed, and "good" or "outstanding" in 59 out of 83 secondary schools that it assessed. Nevertheless, the report expressed genuine concerns about the quality of the subject training for teachers.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Gentleman on bringing this issue to Westminster Hall today. As he has said, history is not just about dates and events, because it is about more than those things. It is also about learning the lessons of lives that were well lived and the lessons of lives that were poorly lived, and perhaps about telling the difference between the two. Does he agree that education in history is much more important than just teaching the facts, figures and dates of history?

Chris Skidmore: One of the reasons why I wanted to secure this debate was to try to get some form of agreement and to have a discussion about more than the nature of history. We can talk about "what" history or "whose" history—whether it is local or national history—and we need to talk about history in terms of the curriculum and examinations, but let us start from a baseline that we can never deny, namely "why" history. Historians have probably come at things from the wrong end, in that they are, as Isaiah Berlin would have put it, foxes rather than hedgehogs. We often focus on the minutiae, and so we start focusing on what should be in the curriculum and how we should frame it without coming to an agreement that we should have history to 16, as most other countries in the world do. That is where I want to get to, and then let us fill out things and colour in the blanks.

Rehman Chishti: I want to follow the question put by the hon. Member for Strangford (Jim Shannon). With regard to teaching history, it is linked to the use of essays, in promoting critical thinking, vocabulary and one's communication skills. Nowadays, however, modern assessments are much shorter and therefore essays are not used, so the communication skills and increased vocabulary that a student would otherwise have got from writing history essays are not there.

Chris Skidmore: That is a very good point. When we look at the curriculum and the historical content that is being taught, at the moment history teaching obviously finishes for most people at 14. The problem with that approach is that trying to fit into the syllabus the broad span of British history becomes almost impossible and in fact we get a situation where, instead of having a narrative and chronological approach, there is a sort of "Dr Who" time travel fantasy of going from the Tudors back to ancient Egypt, forward to the Romans and then to the Victorians. As a Tudor historian myself, I know that the wars of the roses are rarely taught in schools. Equally, I see that we have a civil war historian in our midst today, the hon. Member for Stoke-on-Trent Central

(Tristram Hunt), and he will probably agree that the protectorate is rarely taught in schools and neither is the Glorious Revolution. Unless students have some broad form of a chronology, it is impossible for teachers to get across a genuine interest in history. If history is taught in bite-sized chunks, we are not only doing history a disservice but history students, because they cannot understand the very framework of history itself.

We need to look at that issue, and I believe that making history compulsory to 16 would aid that process of creating a chronology, because for the first time we would then be able to integrate key stage 3 and key stage 4. When we were at school, we actually learned more British history in key stage 3 and even in key stage 2 than we did later on. At the moment, I am writing a book about the battle of Bosworth, an event that is a compulsory part of the curriculum in key stage 2; students have to learn the dates, the framework and what happened then. However, the battle of Bosworth is not part of key stage 3; instead, in key stage 3 students go back again to the mediaeval period. I think that key stage 3 covers the iron age to mediaeval times, with no reference to the Anglo-Saxons or to the Vikings. We need to look at that issue. We should leave the detail up to the national curriculum review within the framework of history being compulsory up to the age of 16.

Helen Goodman: I am grateful to the hon. Gentleman for giving way to me for a second time. I am interested in the examples that he has given, because the interesting thing about Britain and our modern identity is surely the fact that, for the past four centuries, our history has been an imperial one and that is one of the most important things about Britain. I am not denying that 1066 matters, but the hon. Gentleman did not mention that whole imperial period, and he needs to foreground it.

Chris Skidmore: Yes—absolutely. I now want to talk about the GCSE itself with that point in mind, because we currently have a situation where students stop studying history as a compulsory subject at the end of key stage 3, and then some pupils start their history GCSE as an option. However, the GCSE itself does not necessarily focus on British history; often it focuses on the Third Reich and Stalin's Russia. There is also the schools history project, which is the history of medicine, but that is a very narrow subject to be assessed on.

Although we can debate what should be in the curriculum, we cannot get away from the fact that in our age examination and assessment drive learning in schools. In addition to history being made compulsory to 16, what we need is a narrative British history GCSE that teaches the whole span of British history, and our imperial history to boot, right up to whatever we would like to call the cut-off period of history. Such a GCSE would give pupils the option to study in depth every period of British history and to be assessed on their knowledge of those periods. Again, I do not want to say what the exact nature of the exam for such a GCSE would be, and a lot of work would need to go into preparing it. However, the GCSE in its current form does not allow narrative British history to be taught. So, in addition to making history compulsory to 16, we also need qualification reform.

I will conclude now, as I am sure that other Members want to speak in this debate; I am delighted to see so many Members in Westminster Hall today—happy new year! This is the first debate for me in this new parliamentary term. We should come to a common conclusion and common ground, so that we can discuss what should be in the history curriculum and what type of examination we should have. We cannot deny that there is a serious problem in our nation. As I said earlier, a subject that should unite us as one nation is becoming a subject for two nations—the haves and have-nots, or whatever one wants to call them. In certain areas of the country, history is becoming a dead subject in schools. I want that situation to end, and I therefore propose that history should be compulsory in schools until the age of 16.

11.17 am

Tristram Hunt (Stoke-on-Trent Central) (Lab): Thank you very much indeed, Mr Chope, for allowing me to speak. I congratulate the hon. Member for Kingswood (Chris Skidmore) on securing this valuable debate, which has really put into practice his excellent skills of research, data analysis, econometrics and geography. All those skills have been brought together today, showing that he is a superb historian.

It seems to me that what we are discussing today is not really geography; we are discussing the two-nation divide in terms not of the north and south, but of a class divide, based on the traditional Disraelian notion of two nations.

I agree with the hon. Member for Strangford (Jim Shannon) that history has a particular locus and place within schools. In many ways, I was opposed to the push under the last Government for citizenship teaching, because it seemed to me that, first, citizenship teaching took a chunk out of the syllabus and more often than not history teachers were forced to teach citizenship and that, secondly, we should teach citizenship through history. A study of the past is the best mechanism for understanding one's role in the present. Obviously, one can divert into the constitution, the judiciary and all the rest in terms of the modern world, but in terms of understanding both our place as citizens and the role of Britain, it seems to me that history is the best place to do that. At one point, we actually had a review that said we should teach history as part of citizenship, which seemed to me to get things slightly the wrong way round.

As we have heard, history is also a very effective academic subject. The Education Secretary likes to draw on the case of Mark Zuckerberg studying ancient Hebrew and then founding Facebook, but one can also point to many innovative entrepreneurs, successful public servants and business people who studied history and benefited from the rigours that studying history brings.

It seems to me that the subject is not necessarily in crisis. The hon. Member for Kingswood mentioned David Cannadine's new book, which points to this perpetual debate about the nature of history and, without being too partisan on the first day back after the break, I suggest that this is a crisis within the Conservative party. The party likes to talk about the teaching of Britishness and of British history and our understanding of it, partly because of its own various problems with the nature of modern Britain, and it retreats into a debate about the teaching of British history often, it seems, as a vehicle for other more contemporary debates. Of course, historically, the role of history is to retreat into the past to analyse the present.

[Tristram Hunt]

Figures for the take-up of history at GCSE level hover around 30% to 35%. The percentage has gone up and down over the years, and I think it stands at around 33% at the moment.

Chris Skidmore: I will send the hon. Gentleman a copy of my report, so that he has the accurate figures. I came to this debate not wanting to make party political points, but the percentage has not hovered; it has gone down consistently every year in comprehensive schools since 1997, and it has just gone below 30%, which was partly the trigger for my calling this debate and writing the report.

Tristram Hunt: I am grateful for that intervention. I was referring to the national figures, and let me now come on to the specificities of the hon. Gentleman's debate.

There seems to be a class divide—a worrying schism in what our children are taught. As the hon. Gentleman suggested, it is more than the loss of an academic subject; it is the loss of a patrimony and of a broader understanding of citizenship and identity. By not teaching history in many of our disadvantaged communities, we could be losing some brilliant future historians. We are very good at history in this country. Indeed, we are often accused of being too obsessed with the past, but we produce a good number of scholars, often from disadvantaged backgrounds.

Over the past 10 to 15 years, we have faced an unacceptable shunting of children from disadvantaged communities away from academic subjects and, more often than not, on to semi-vocational ones. That has boosted grades for schools but has sold these kids, who have wanted to go on to sixth form and university, a pup. There has been an ethos that in certain communities such subjects are too difficult, and that has presaged league table results.

We can all relate anecdotes of young people being pushed away from subjects that they should be encouraged to take up. We need a rethink. We are all in favour of proper training in vocational subjects, but it should come after a detailed and solid academic training. That is the German model, and the Alison Wolf report importantly suggested that we should get the grounding right and then allow young people to make the decision about which way to go, with either businesses taking on the training or it being continued in schools.

We should not shunt children from disadvantaged communities off academic subjects; nor should we allow schools to merge history and geography into a humanities subject in which pupils appreciate no element of the discipline. That is particularly a problem in certain academies, and Ministers are slightly shifty on the subject, not least because it is very difficult to get data out of the academies about what is being taught. I have tabled endless questions, which have been answered in different ways, but it seems that in the push for league table results certain academies are disfranchising children.

This also raises an interesting point about the ambition of the Secretary of State for Education for a national story of Britain and Britishness. If the Government's policy is for ever greater pluralism in educational provision, with free schools and academies, where will we get the national cohesive story from if every school tells a different story about history and if every school is encouraged to talk to its own student make-up? The Government have an interesting tension between a traditional conservative belief in a national narrative and their open-market approach to schools and what they teach.

The problem is not the syllabus. Key stage 3 teaches empire, industrialisation and a narrative story of British history. It is a pretty good syllabus if it is done well and, crucially, if it is given the time, but the average 13-year-old in a British school gets only one hour a week to study history, and with such timetabling—only 33 or 34 hours a year—it might not be possible to develop the skills, understanding and narrative. There are cries about there being no Nelson, Wellington or Churchill in the syllabus. That is not true, but there needs to be the space and context within which those characters and their history can be taught.

History teachers do not regard the syllabus as the problem, and the old divide between skills and narrative is not so much the problem any more either, because the best history teachers combine them—one of the advantages of modern information technology and teaching mechanisms. It is exciting if teachers can get kids to use the internet to look at mediaeval roles, the Magna Carta or the Bill of Rights, and that also teaches a narrative history.

Chris Skidmore: Ofsted's "History for all" report found that the quality of subject training for teachers was inadequate in one in three schools and that teachers in those schools did not fully appreciate progression in historical thinking.

Tristram Hunt: The hon. Gentleman makes a very good point. We all know that inspired and inspiring teachers are key. With numeracy and literacy over the past 10 years, it seems that in certain circumstances teachers got bored and that children could sense it. If teachers are not inspired and children are not inspired by them, we do not get the learning, and we need much more focus on ensuring that teachers are inspired and that they are up to date with the latest scholarship and understand progression.

In Stoke-on-Trent, I would like to get Keele and Staffordshire universities together with the local teachers to ensure that the latter are up to date with the scholarship and are still inspired by it. As my hon. Friend the Member for Cardiff West (Kevin Brennan) said, if a teacher is inspiring—as he was in his classroom—the children come alive, and are passionate and interested in the subject.

I will end here because I know that many other Members want to speak, and I apologise for doing so, because I have to meet a constituent later this morning. I am still in two minds about the push towards compulsory history to 16. I have an open mind about it. We risk damaging interest in pursuing the subject if we make it compulsory for huge swathes of children who are simply not interested. That will affect learning in the classroom.

I appreciate the broader issue about history's role in citizenship. I also understand the point about learning and over-learning certain elements of our national past, such as the Third Reich and dictators. That has much to do with the commerce of education. Once we have

history textbooks and the machinery of learning, it is difficult to get out of the rut of learning and teaching the same things over and again. It is challenging to get undergraduates who are almost trauma victims, having studied the Third Reich three times, to appreciate broader European or British history.

Jim Shannon: When I was at school, I had the opportunity to learn Irish history, which is probably most unusual for a person from a Unionist tradition. It did not make me any less of a Unionist; indeed, it cemented my Unionism and made me stronger in my beliefs. That is an example. I learned something else, but remained a Unionist.

Tristram Hunt: Those of us who are privileged to have read W. E. H. Lecky's "A History of Ireland in the Eighteenth Century" will know that, although we might think that studying the history of Ireland will push us one way, it can take us in a very different direction.

I conclude by paying tribute to the hon. Member for Kingswood for his research and for bringing the matter to national prominence. Class and social division are an issue. We must ensure that schools in disadvantaged communities and areas allow their pupils the opportunity to study history in all its wonderful manifestations.

11.32 am

Paul Maynard (Blackpool North and Cleveleys) (Con): I congratulate my hon. Friend the Member for Kingswood (Chris Skidmore) on his well-chosen topic to start off the year. I am slightly in awe of the two fantastic historians in the room. It makes me rather nervous to offer any contribution, but in for a penny, in for a pound is the only attitude to take.

People with an interest in history cannot help realising that discussions about why we study it and what we should study inspire more vitriol among the historian community and more ink on the pages of our opinion magazines and newspapers than almost any other subject. My hon. Friend has set his topic commendably wide, but rather than rehearsing the undergraduate essays on "Why study history?" that I wrote for my Oxbridge preparations, I will focus on why and how we should study it.

We all have a personal view on what history is, why we study it and why we learn it. After 10 years of studying it, just as I was about to leave university, it finally taught me how to think properly—a useful lesson that I like to think that I have carried with me into this place, although opponents may disagree. History is also a study of the consequences of human nature. As a subject, it is not unique in teaching us how to think properly, form an argument and judge and assess evidence—other topics can do that, too—but it brings an additional benefit: it comes with a body of knowledge that allows us to understand why we are where we are, which is fundamental.

I realise that there are some, perhaps wishing to make mischief, who define the Conservative party as a bunch of conservatives with a small c obsessed by our narrative history and constantly seeking that golden thread. That does not interest me. I would far rather focus on what history should not consist of. I have no desire to see children sitting in a classroom chanting their regnal dates as though they were times tables. It is like having a wardrobe full of coat hangers with no clothes hanging on them. I am not sure that I could recite the kings and queens of England with any great accuracy.

Sir Lewis Namier identified elections as the locks on the great canal of British history. He was right, but there is no point in being able to recite every significant general election if we cannot talk about the water that flowed through those locks and the changes that came with them. I would love to see Sir Lewis Namier applying his comparative biography techniques to the current Government and Opposition Front Benchers. He might show some interesting comparisons with what we occasionally read in the press.

Nor should history be only about entertainment—horrible histories, blood and gore, and who killed whom in the Tower of London. That is entertaining, but what does it teach us? I am not sure that it teaches us much, other than how to have fun. History is not about teleology, a national story or just a narrative, and it is certainly not about emoting. I despair when students who visit the House of Commons are asked to write essays about what it might have felt like to be a roundhead, a cavalier or a soldier in the trenches and so on, but have no idea of the context of what they are being asked to empathise with. If they are writing as a soldier in the trenches, they do not know why they are there, what led them there or the end result; it is all about empathising. I sometimes suspect that it is almost an excuse to go on a day trip to the Imperial War museum.

History can be a useful tool. It should not just be about great men and personalities. I hold my hand up as being guilty of studying Weimar Germany for GCSE, A-level and my degree. By the time I took my degree, I could almost recite the name of every Reichstag member in 1932. That was not exactly helpful; it simply showed that it is possible to end up as an anorak, knowing more and more about less and less.

What we admire in good history writing or a good university history course is not necessarily what we should admire in a school syllabus. Often, it is hard to throw off what we acquired in our later years when thinking what we should be trying to achieve in our school system. I spent a happy Christmas indulging myself in the 24-hour existence of Carpatho-Ruthenia, which lasted for most of my Boxing day reading. Although it is a fantastic piece of historical research from Norman Davies, it is not something that I would want to inflict on a group of 11-year-olds.

The question then becomes: should we compel certain periods or topics on a history syllabus? Do we believe that history has a didactic purpose? It is fair to say that many people who teach history have strong, often political views and that, naturally, part of what they want to communicate to their pupils is an enthusiasm for the topic and the period. I cannot remember a single one of my history teachers who did not allow a slight degree of political opinion to sneak out in whatever period they were teaching. Perhaps that is understandable, and it is not always a bad thing, but there are dangers in trying to use school history teaching to communicate values. That is my big fear. Ultimately, history is not about communicating values; it is about communicating skills.

The first, last and only time that I ever studied Anglo-Saxon history was during my first week at secondary school, when we spent a week trying to work out who

[Paul Maynard]

was buried at Sutton Hoo. I think I came down in favour of King Raedwald. I was probably wrong; we still have no idea, I am sure. I have no desire to go back and read anything more about Anglo-Saxon history, but that one week reminded me that what we are trying to do is assess evidence, reach conclusions and construct an argument. Those are the basic and essential skills that we must absorb when we teach history in schools.

Rehman Chishti: I support my hon. Friend's point. In society now, a fundamental concern is the failure in literacy over the years. Does he agree that history provides a vital opportunity to develop a sustained, lengthy argument, which helps improve literacy?

Paul Maynard: I entirely agree. One of my great frustrations in life is that I discovered how to write an essay only in my last term at university. Unfortunately, it came a bit too late to enhance fully my learning experience during my entire education.

We have to be careful that we do not turn our history lessons and our final history exams—after all, what matters ultimately is what we test—into some sort of quiz or series of multiple choice questions. I have grave reservations about some A-levels. It is to my eternal shame that I got a grade A at A-level politics by just walking in off the street and sitting the exam. I failed to study the subject during the sixth form; I just took it for the fun of it and thought I might get a grade E. It seemed like a fun thing to do. I shocked both myself and the school's head of politics by getting an A, largely because the exam was based entirely on general knowledge as far as I could make out. It asked questions like, "Tick next to the date of the last general election," but I do not think that that was something that needed to be studied.

I think that the skills that history teaches us should be made compulsory up to the age of 16. I support my hon. Friend the Member for Kingswood entirely on that point. It is a tragedy that far too many children miss out on the opportunity to study history. We do not need to make history frightening or scary, or obsess about the clichés and the grand narrative of the golden thread of British history.

I represent two seaside towns, the history of which, if we tried to comprise the whole of British history, would not start until 1800, because before that not much was built on Blackpool North and Cleveleys, other than a few mud huts here or there. The hon. Member for Stoke-on-Trent Central (Tristram Hunt) is pulling a face at me as though to say that I am wrong—that would not surprise me—so perhaps the correct date is 1730. None the less, there is immense enthusiasm in Blackpool for local history. We have community heritage champions who, although they are often older people who did not have the chance to study history in the way that we would all perhaps like to do so, get really excited at the chance to learn new oral history techniques.

My constituency has a Jewish cemetery. We no longer have a Jewish community to speak of, but people are fascinated by the cemetery and what it tells them about the sort of people who were active in Blackpool in its heyday. It would be a fantastic tool for local children to learn about the area in which they live. I am a strong supporter of using local history as a way of making history interesting for those who study it.

As ever, however, we cannot look at just the baubles on the Christmas tree. There is no point in teaching children about the things that interest and entertain them unless they understand those lock gates on the canals of both British and European history. Until we understand how it all links together, I do not believe that history will achieve the goal that it should be setting itself. We should interest people, but we should not exclude them from fully understanding what makes the country in which they live what it is today.

11.42 am

Sir Bob Russell (Colchester) (LD): I congratulate the hon. Member for Kingswood (Chris Skidmore) on securing the debate and on setting the scene, along with the other two previous speakers. Following on from my intervention, I want to emphasise the importance of local history. We have just heard the hon. Member for Blackpool North and Cleveleys (Paul Maynard) say that although his area has only been in existence for some 200 years, it has its own rich, distinct history. I represent Britain's oldest recorded town. Indeed, parts of the western boundary of my constituency are ancient earthworks that predate the Roman invasion.

I pay tribute to all those schools and history teachers who enthuse young people; the issue is that too few do. I want to place on record my appreciation for my history teacher at St Helena school 55 years ago, Mr Brian Barton, who for some reason was known to his contemporaries as Dick Barton, and who, 55 years later, is a tour guide in Colchester. He is not the only one. We are blessed with contemporary historians, such as Andrew Phillips and Patrick Denney, and Philip Crummy of the Colchester Archaeological Trust, who bring history alive. Two thousand years ago, we had the only Roman chariot circus in Britain; Philip Crummy discovered its remains only in November 2004. That is local history in a national context, and in the context of the Roman empire. I want such aspects of local history to be introduced in schools throughout the country, because I passionately believe, as the hon. Member for Blackpool North and Cleveleys said, that if we can enthuse young people about local history they are more likely to develop an interest in history as a whole. I share the concern that linking history and geography under the heading of humanities dilutes both.

My town is bidding for city status, so perhaps I will be allowed the opportunity to fly its flag. Colchester was the first capital of Roman Britain, and it is the only city of the Roman era that is not a city today. There is no record of that city status ever having been removed, so I hope that Parliament will conclude that we should keep it.

Rehman Chishti: On history, places and future city status, Medway was home to Lord Nelson, and the flagship Victory was built in the historic dockyard in Gillingham. There is a lot of responsibility not only on schools to promote local history, but on local authorities to promote it in partnership with those schools. Does the hon. Gentleman accept that, along with Colchester, there are other richly historic places, such as Medway?

Sir Bob Russell: There are indeed. I am grateful for that intervention. If I were a Norfolk MP, I would point out that Nelson came from the royal county of Norfolk long before he ended up in Kent.

I am concerned that, in my home town, not everybody is aware of our patron saint, St Helena, whose badge I proudly wear, or indeed of the history behind her; that is a bit of local history. We are also the home of the fictional character, Moll Flanders—a local girl who did quite well. In fact, she came from the very part of Colchester in which I grew up, Mile End. I think it is time that my home town promoted Moll Flanders, because she was a lively lass and I think she would attract tourism to the town.

Another local historian, Joan Soole, unearthed incredible Colchester connections with the battle of Waterloo, and those local connections brought alive the history of that battle for a completely new generation. We are a famous garrison town and one of the four super-garrisons, but before we became a garrison town, we had a strong Royal Navy connection with that famous battle. We are also the town in which the world's most famous nursery rhyme was written. In 1805, the Taylor sisters wrote "Twinkle, Twinkle, Little Star". Again, these things should be promoted locally. Every community has local history to promote.

Chris Skidmore: I am enjoying the hon. Gentleman's brief potted history of Colchester, but with respect, I called for this debate to talk about whether history should be compulsory in schools at age 16 or not. I do not know about the views of other Members, but I would appreciate it if the hon. Gentleman would stick to the subject.

Sir Bob Russell: As the three previous speakers have said, the point that needs to be made is that we need to instil enthusiasm in our young people and get the education system to embrace history, because I regret to say—the hon. Gentleman's statistics prove this, and it has not been denied—that interest in history has declined over the past 30, 40 or 50 years. I was lucky with my schoolteachers, first in my Mile End primary school and then at secondary school, and with my parents. It is all to do with giving encouragement, and getting teachers to be enthusiastic about teaching history.

Tristram Hunt: There is an important point to make about how we attract primary school and early secondary school pupils to the subject, so that they have a passion about the past. At its best, local history is not parochial; it goes from a local story to a national and then international story, but it is very difficult to begin to tell and teach children an international story without those building blocks. Colchester seems a good example of a story about a global imperium.

Sir Bob Russell: I will conclude in a moment, because with one intervention, the hon. Gentleman, to whom I am grateful, has embraced precisely the point that I have been trying to make. We can have anything we like in post-14 or post-16 history, but unless the foundations are there, the rest will not happen. It is up to the Government to provide the enthusiasm and direction. Since my education, experience has shown me that many teachers can be enthused and are enthusiastic. They provide that enthusiasm, and they must not be stopped.

11.50 am

Gareth Johnson (Dartford) (Con): I add my congratulations to those given to my hon. Friend the Member for Kingswood (Chris Skidmore) for securing the debate. It is certainly a very interesting subject, and it has given rise to different opinions around the Chamber.

We have heard about people's experiences with their history teachers, and how teaching particular subjects can create the opposite effect to that intended. Perhaps I should prefix my speech by saying that I was taught not only history but politics by my local Labour party leader. Consequently, I am a Conservative Member of Parliament who knows very little about history. It is perhaps surprising that although we are in the most historic place in the United Kingdom, we are having to remind ourselves about the importance and relevance of history in education. It is something of a cliché, but I strongly feel that it is only by learning from the past that we can understand the present and plan for the future.

Much has been said about the approaches of different countries. My hon. Friend the Member for Kingswood talked about the teaching of history in Albania and other countries. It is right for history to be taught in different ways in different countries, because that enables each country to see history from its own perspective. It is therefore right that we should learn history from a British perspective. Unfortunately, the hon. Member for Stoke-on-Trent Central (Tristram Hunt) is no longer in this Chamber, but I take issue with his concerns about the patriotism that Conservative MPs often display when talking about history. It is not just Conservative MPs who take a sense of pride in their British heritage; it cuts right across the political spectrum. Britain has the richest history in the world. If any country needs to prioritise history teaching, it is ours, because an understanding of history helps us to formulate national identity, pride and confidence in who we are.

Kevin Brennan: I am as patriotic as the next man, but does the hon. Gentleman not see that the statement that Britain has the richest history in the world is ludicrous and would not be made by anyone who knew anything about history?

Gareth Johnson: No, I do not agree it is ludicrous at all. More than any other country, Britain has had influence across the entire globe; the fact that English is spoken in more countries than any other language demonstrates the influence that this country has had throughout history. Some of that history is good, and we are very proud of it, and some of it we perhaps do not talk about as much as we should. However, nevertheless, we should be proud of our heritage because it is very distinct. It is certainly the richest of any country I have ever studied and it has influenced more countries than that of any other nation.

Yet it is right to say that the teaching of history in this country is patchy. In some areas, more than three quarters of students do not learn history after they are 14 years of age. We heard about the difference between classes that some people claim exists in relation to the teaching of history. Certainly there are differences between, for example, grammar schools and some comprehensive schools; the teaching levels are not comparable. The teaching of history varies around the countries, too.

[Gareth Johnson]

Although more people are passing GCSE history, fewer students are taking up the subject, which is a great shame.

The treatment of the subject is less patchy around Europe; it is compulsory in most European countries. As I said, my hon. Friend the Member for Kingswood mentioned Albania. That keeps cropping up, because it appears to be the only country in Europe that takes a similar approach to England with regard to history teaching. I do not know whether it is a fair comparison, but it certainly seems that there is less mandatory teaching of history in England than anywhere else in Europe. The rest of the UK fares little better.

Mr Gregory Campbell (East Londonderry) (DUP): Does the hon. Gentleman agree that part of the problem is trying to ensure that history is relevant to young people? Often the teaching of the subject leaves young people either ostracised or simply feeling that it is not relevant to them today. This is not an either/or. Local history needs to be taught, based on its relevance to young people, so that they can understand their place in the national psyche and get a grasp of history.

Gareth Johnson: The hon. Gentleman makes an excellent point. It is a case of ensuring that students understand that history, and what has gone on in the past, is relevant to what they are doing now. I think that we would all accept that history at its best is the most fascinating subject on the educational spectrum. However, at its worst, it can be one of the dullest. A lot depends on the person in the classroom, and whether they can inspire pupils and convince them that history is relevant to them, as the hon. Gentleman correctly points out.

[JIM SHERIDAN *in the Chair*]

To be fair, the Department for Education is doing a lot of good work. The academy innovation goes from strength to strength. We have more protection and support for teachers, with regard to the anonymity that is extended when there are unfounded allegations; also, there has been a withdrawal of the requirement to give notice of periods of detention. In addition, spelling tests are coming back, and we are allowing grammar schools to be expanded.

I would like "more history teaching" to be added to that list of achievements. However, I am the first to accept that the Department for Education faces a dilemma, because it rightly does not wish to be too prescriptive about the curriculum. One of the Department's aims is to make the curriculum more streamlined. Clearly, the challenge is for the Department to give good schools as much autonomy as it can while ensuring a structured education system for children. Therein lies the future difficulty for the Department in relation to history teaching.

The desire for more British history teaching is not about misplaced patriotism; there is no xenophobic agenda. However, we should not shy away from teaching British history with a sense of pride. For example, the history of the British empire should not be taught with any sense of shame or vitriol. We should allow students to embrace history as seen from a British context, because we will fully understand ourselves only when we learn where we have come from. National identity is incredibly important, and much of that identity is determined by our history.

11.58 am

John Pugh (Southport) (LD): I congratulate the hon. Member for Kingswood (Chris Skidmore) on initiating the debate. He rather gallantly tried to separate two issues: first, how much history should be taught and, secondly, what is taught. However, I do not think he can do that because the case for more time must be related to the subject's inherent value and the contribution that it makes to pupils.

When I was a young man, I had a passionate interest in history; in fact, it was the only subject that I was particularly good at in school. I lost my enthusiasm when I discovered that the more facts that I managed to acquire to settle historical disputes, the less availing they were as they were assimilated to different theories. I became generally interested in theory and fact, lost my passion for history and acquired a passion for philosophy.

I never taught history when I was a teacher, although I might have had the opportunity to do so, but I was appalled by what I saw and the narrowness of the curriculum. One of my sordid secrets is that I taught for many years in an independent school. Lots of people did history. They just did the Third Reich over and over again. Therefore, what a subject contains has a lot to do with whether it should be taught or taught to everyone. The reasons for that were quite crude in many respects. Putting the Third Reich on the syllabus meant more pupils and more sets. The headmaster often found that there were better results, too. Therefore, there was an incentive that had nothing to do with teaching history; it was all to do with the promotion of teaching careers, if I can put it as crudely as that.

As a result, some people who have done history leave school knowing very little history. They know very little about the development of their own culture and the nation's culture, and have to pick it up through TV or books later on in life. There is an enormous and insatiable appetite out there for history as a form of entertainment—we all know that there is a history channel—but it is regrettable that people who study history can do very little on the Tudors and Stuarts, do nothing on the 18th century and have the most prejudiced views about the mediaeval period.

I think that we all have to accept that, within the space of a school year, people need to be selective. There has to be a selection about which bits of history will be taught. Any full story will, perforce, be something of an outline, but I am concerned about the principles that dominate selection in the school curriculum. Selection is often done on dubious grounds. We moved, slightly, on to that ground in the previous contribution. It can be done simply to reflect a nation's favoured narrative of itself. History then becomes, to some extent, an exercise in self-justification. History can be a bit like autobiography—just a representation of what one would like the world and oneself to believe about the past. Many Governments in the world fall into the trap of sanitising their history curriculum, so that it becomes a very pleasing narrative about how all the things great

and good came from their nation. I am sure that if we were in the French Parliament talking about history, we would have similar perceptions—different perceptions, but similar kinds of perception.

Moving away from the Nazis and the Third Reich, therefore, does not necessarily solve what should be in the curriculum. I have concerns about bolting back to what I was familiar with in my schooldays—the Whig narrative of history, where British history is represented as a seamless path to freedom, starting with Magna Carta, which, regrettably, very few people have actually read. When one actually studies it, it entrenches baronial privileges to provide their own courts and armies. A case was made in those days for choice and diversity. There was choice and diversity in who could provide the army, or who could provide the court, and that is found within Magna Carta. History can be selective in omitting all sorts of things that we would rather not touch on, such as the British role in slavery, or working-class history—the worst aspects of the industrial revolution. They are touched on, but they can be omitted, if we choose from the curriculum.

There are therefore inherent dangers in being too prescriptive about what sort of narrative falls into the curriculum. It may be unusual for me in this context, but that is why I genuinely favour choice and diversity in the history curriculum and making children self-conscious about the whole process of the writing of history—how these stories come about and how we reflect our narrative. History is very rarely written by the losers. The history of the mediaeval period was written by the Church and therefore those kings who gave the Church a bad time—King John is a classic example—got a very bad press.

History should contain an outline, but it should also contain opportunities for intelligent history teachers who care for their subject to choose selectively in a way that suits their candidate interest and aptitudes, but also covers what they think good history should be. I am in favour of making children, through the history curriculum, critically sceptical. If it does that, it is no bad thing.

12.4 pm

Kevin Brennan (Cardiff West) (Lab): What an interesting seminar we have had this morning on teaching history in schools. There has been a very high standard, as one might expect with so many eminent historians and hon. Members present here to debate the subject. As was revealed earlier, it is true that I taught history, alongside economics, in a comprehensive school for 10 years. In fact, I tweeted that I was going to participate in this debate and one of my former pupils, Cerys Furlong, who is now a Labour councillor in Cardiff—she was indoctrinated well when I was teaching history—tweeted back that she remembered the days when I was an actual history teacher.

I took O-level—as it was in those days—history back in 1976, and I took A-level history in 1978. I always remember one teacher saying to me that I would prefer A-level to O-level because it is about not only regurgitating facts, but understanding, interpretation and so on. I still have, in a cupboard at home, several green exercise books containing the notes from my history A-level lessons, which consisted mainly of our teacher—I will not name him unfairly—standing up for the first half of the lesson and giving an A.J.P. Taylor-type lecture. The second half of the lesson consisted of our writing down the notes that he dictated into those green exercise books. I sometimes wonder whether that is what the Minister with responsibility for schools has in mind when he talks about the sorts of changes he would like to see in our schools and whether, in his mind's eye, he sees rows of pupils sitting down at their individual desks in their short trousers writing down whatever it is that the teacher has asked them to copy down off the board—perhaps in the manner which the hon. Member for Blackpool North and Cleveleys (Paul Maynard) deprecated in his speech of copying down facts about the kings and queens of England from the board. I accept that that is a parody, but the reason why I love history, and I think the reason why a lot of people love history, is not because of rote learning, but because of the interest in finding out that people in the past were just like us.

The idea that a diet of key facts and an officially sanctioned version of state history will inspire people or serve their interests is fanciful. We need to ensure that we do not go back to the approach taken when I was learning history at A-level in the 1970s. It was not the regurgitation of facts that caught my imagination about history, but the fascination of how people in the past, who were exactly the same as us biologically, acted in the face of the beliefs, culture, values and political power structures of the time, and what that told us about ourselves now. For me, that was the reason to study history.

As has been said, by the time I came to do a PGCE in history in 1984, the subject had changed a lot, which has been reflected in today's debate. The Oxford history project and various other initiatives that were taken at the time involved talking about the skills needed to be a historian, assessing the reliability of evidence and, even for young pupils, thinking about what being a historian involves—being a kind of detective of the past. All those initiatives had come into the teaching of history, which was for the good. I looked recently at a careers guidance page for the university of Kent. One interview question for potential history teachers asked how they felt about a skills-based approach versus a factual approach to teaching history. That question, which seems to dominate a lot of the debate about the teaching of history in our schools at the moment, is fairly ludicrous, because teaching history cannot be skills versus facts. It has to be about having the skills to be able to learn, understand and interpret the facts. There is a legitimate concern about a loss of the sense of the narrative of history, which has been picked up in several of the contributions today. However, it would be a big mistake to turn history teaching into the dissemination of a patriotic narrative. It is interesting that there was not unanimity between colleagues from all parties on that.

We should not look at history as a way to mould our citizens into compliant people. We need to go beyond a simple glorification of the past, which I felt the hon. Member for Dartford (Gareth Johnson) might have suggested. We need students to be able critically to engage with the past and understand how it affects them now, as individuals, and their community and country. In respect of studying history, the emphasis should not be placed on a particular narrative based merely on a political agenda. We should study history to have a sense of identity beyond race and religion and

[Kevin Brennan]

understand something of a common culture, so that we learn about the past and ourselves as individuals and members of British society.

Sir Bob Russell: I was hoping that the hon. Gentleman would touch on local history, because clearly national exams will only deal with national history. Where does he think that local history fits into the teaching of history in schools, bearing in mind that we are a diverse country and within a county there will be different local history characteristics?

Kevin Brennan: I agree with much of what the hon. Gentleman said, and with what my hon. Friend the Member for Stoke-on-Trent Central (Tristram Hunt), who is no longer here, said: local history is a way of engaging the interest of pupils and students and enables them to spread out beyond that into a much wider historical context. Like the hon. Member for Colchester (Sir Bob Russell), I come from a town—in south Wales—where there are powerful remnants of the Roman empire, including an amphitheatre and a barracks of the second Augustan legion based at the Roman town of Isca, which is now Caerleon. Some 5,000 Roman troops were stationed there in a town that probably does not have a population as large today. It was fascinating for me, as a young person, to think about what it must have been like 2,000 years earlier in the area in which I grew up.

Although the title of the debate is not, "Should we make history compulsory to 16", I think that is what the hon. Member for Kingswood (Chris Skidmore) wanted to focus on in his speech. I congratulate him on securing the debate and on raising that important subject.

One problem with, and paradox of, the Government's approach to this matter is revealed, in a sense, by what the hon. Gentleman and the hon. Member for Dartford said. The Government say that they are seeking to decentralise education and to have schools that are effectively autonomous and exempted, with choice about what they teach, and if the Government get their way, by the end of this Parliament most schools will be exempt from a national curriculum. Yet they are undertaking a review of the national curriculum and will, presumably, at some point, advance detailed proposals about the national curriculum. Some interim information on that has been provided by the Government. However, by the end of this Parliament, if the Government proceed in the way that they are going at the moment, most schools will not be compelled to teach the national curriculum. If the hon. Gentleman is advocating, on top of that, that more subjects should be made compulsory up to 16—in this case, history—I do not understand the transmission mechanism by which his ambition might be achieved. Exultation is fine, as are nudge-theory approaches, such as the English baccalaureate, but ultimately the hon. Gentleman will not achieve his aim of making history compulsory if it is not possible to implement a transmission mechanism to compel schools to teach that subject.

Chris Skidmore: On transmission—I agree in part with the hon. Gentleman on the curriculum—the point of the curriculum is secondary to assessment, which is increasingly becoming the driver of standards in schools. Parents and their children will look at schools offering high-quality examinations and at the standard that is achieved in those examinations. This relates to my point about creating a narrative of British history GCSE, because I believe that that would be the lever by which parents would be able to look at all schools offering history GCSE—just as they can in respect of GCSE maths, English and science, which all schools have to offer. If history joined that cadre and we were able to ensure that all pupils studied the equivalent of a western canon, instead of a GSCE that focuses only on the Third Reich or Stalin's Russia, we would have one that allowed pupils to study the narrative of British history.

Kevin Brennan: The hon. Gentleman is right. Many parents will do what he described, but not all of them will. That is why education itself is compulsory: it will not happen just through exhortation or because the Government say that they would like it to happen, or even by the Government employing little nudge mechanisms, such as the English baccalaureate.

I am reserving judgment on whether history should be taught compulsorily up to 16, because I, too, have a fairly open mind about that. History has never been compulsory. When I was 14 years of age, we had to do either history or geography, and we could not opt for both because of the tightness of the options in the school that I attended.

Sir Bob Russell *indicated assent.*

Kevin Brennan: That was common, as I can see from the reaction of the hon. Member for Colchester.

Gareth Johnson: Will the hon. Gentleman give way?

Kevin Brennan: I took a long intervention and do not want to eat into the Minister's time. I apologise to the hon. Gentleman for not being able to give way one more time.

The Third Reich came up quite a bit during our debate. I confess that teaching that subject started during the time when I was teaching history. I taught up to about the end of 1994 and even back then the Third Reich was a major component of O-level history, which then became GCSE during the time I was teaching. It seems to have generated itself into a kind of educational industry over that period. My daughter, who is doing A-level history, is studying the Third Reich, having studied it at GCSE as well. I share the frustration of other hon. Members about that. Really, schools should not be doing that. I understand why they do it—teachers gain expertise and resources, and so on, and want to give their pupils the best opportunity to pass exams, which is only natural—but it should not be studied over and over, as hon. Members have described.

I shall conclude, because I want to give the Minister an opportunity to respond. We have had an interesting debate with some excellent contributions. First, I am interested to hear the Minister set out his plans and say whether he has any intention of making teaching history compulsory up to 16. If that is not his intention, perhaps he will make it clear. Secondly, what is the transmission mechanism by which he is going to get the national curriculum taught if most schools are exempt from it?

12.17 pm

The Minister of State, Department for Education (Mr Nick Gibb): I congratulate my hon. Friend the Member for Kingswood (Chris Skidmore) on securing this debate, which has been of high quality throughout. All contributions to it were valuable. My hon. Friend is a firm supporter of recognising the importance of history in schools and has played an active role in highlighting some key issues relating to this subject, including in his excellent recent report, which paints a worrying picture of the decline of history in our schools.

I strongly agree with my hon. Friend's view that teaching history should form a key part of a child's education. As young people develop, taking on the rights and responsibilities of adulthood, they need a good understanding and appreciation of how and why our systems of democracy and justice were developed and established. They also need to understand the aspirations and values that motivated our predecessors to create the society in which we live today.

I agree with my hon. Friend the Member for Blackpool North and Cleveleys (Paul Maynard), who made an excellent, gripping contribution to this debate, that history is a body of knowledge that allows us to understand where we are. The study of history is also an important academic discipline in primary schools and at key stages 3 and 4 at secondary school. As well as providing knowledge, as my hon. Friend the Member for Gillingham and Rainham (Rehman Chishti) set out in interventions, it helps to develop pupils' skills at reading, précising text and essay writing, which cannot just be left to the English curriculum in a school. It is about developing the skills of scholarship, which are important in a school career.

My hon. Friend the Member for Kingswood has written a number of excellent history books, including studies of Edward VI and Queen Elizabeth I. He would therefore have been as shocked as me to find that, in a survey of history undergraduates entering a Russell group university, only one in three knew who the monarch was during the armada. In the same survey, almost 90% of the undergraduates could not name a single British Prime Minister from the 19th century. Professor Matthews, who conducted the survey, said that the students were

> "studying at one of the Russell group of universities, on courses where the entry requirement is an A and two Bs at A level, which probably places them in the top 15% of their generation in terms of educational qualifications. This implies that, all things being equal, 85% of my undergraduates' age group know even less than they do. In other words, we are looking at a whole generation that knows almost nothing about the history of their (or anyone else's) country."

As my hon. Friend highlighted in his report, the decline in the number of pupils taking history GCSE in this country is a matter of concern. In 1995, more than 223,000 pupils, representing nearly 40% of pupils, were taking history GCSE. By 2010, this figure had dropped by more than 25,000, so it is now only 31% of pupils, or just less than a third, taking the subject. If we scrutinise that decline further, as my hon. Friend has, we see a worrying trend around the clear divisions in GCSE take-up between different types of school and pupil background and in whether they are eligible for free school meals. As the hon. Member for Stoke-on-Trent Central (Tristram Hunt) said, a potential class divide is being created in this country with the subjects that are being studied.

For example, nearly 20% more pupils in the independent sector study history than pupils in maintained schools. My hon. Friend's report also highlighted the links to deprivation reflected in the take-up of history at GCSE. For example, in 2010 only 25% of black pupils took history GCSE compared with 31% of white pupils; only 18% of pupils eligible for free school meals studied the subject at GCSE level, which is 13% less than the percentage take-up for pupils overall, at 31%. The decline in the study of history has also been reflected in further and higher education, with the proportion of students opting for A-level history remaining static for a number of years. Enrolments in history at university are well below the average compared with other subjects.

I agree with my hon. Friend that the current history curriculum does not give pupils a grasp of the narrative of the past. Last year's Ofsted survey of history teaching in schools, to which he referred, supports that view. It found that in primary schools, although pupils generally had good knowledge of particular topics and episodes in history, chronological understanding and the ability to make links across the knowledge gained were significantly weaker. It is also clear that many schools are spending less time teaching history. In the recent Historical Association survey of secondary school history teachers, lack of teaching time was the most frequently cited issue that teachers raised about key stage 3, which the hon. Member for Stoke-on-Trent Central, who I am glad to see is back in the Chamber having met his constituent, mentioned in his excellent contribution. Part of the problem is that GCSE history is too narrowly focused, with exam choices clustering around certain topics such as the American west 1840 to 1895 or the Third Reich, which has been referred to by many hon. Members. Exams have a significant influence over what is taught, so it is no surprise that pupils have huge gaps in their knowledge of our national story and a disconnected sense of narrative.

There are also issues with teacher training. Last year's Ofsted report also cited that in most of the primary schools visited, there was not enough subject-specific expertise or professional development to help teachers to be clearer about the standards expected in the subject. I hope that we agree that it is fundamental that a greater emphasis is needed on knowledge and content in the current school curriculum, which is why we have launched a review of the national curriculum.

John Pugh: The Minister has mostly outlined the decline in history as taught in all sorts of schools. Will he touch on the causal factors? He has not explained what appears to be an appreciable decline, as documented by the hon. Member for Kingswood (Chris Skidmore).

Mr Gibb: There are all kinds of reasons why the decline has happened. It could be, for example, because of the move to a more skills-based approach. History might be regarded as a tougher subject in which to achieve the grades that a school feels that it needs to achieve to maintain or increase its position in the school league tables. We have had a concern for a number of years about the move to what are called softer subjects in order to boost league table positions, and history could well have been a victim of that process.

The new national curriculum will be based on a body of essential knowledge that children should be expected

[Mr Gibb]

to acquire in key subjects during the course of their school career. It will embody for all children their cultural and scientific inheritance, and it will enhance their understanding of the world around them and expose them to the best that has been thought and written. We are engaging with a wide range of academics, teachers and other interested parties to ensure that the new national curriculum compares favourably with those of the highest performing countries in the world.

Sir Bob Russell: As yet there has been no reference to the importance of local history being taught in our schools. How will that fit in, when schools are clearly being directed towards history that fits the exams?

Mr Gibb: Those are precisely the issues for consideration by the national curriculum review.

I know that my hon. Friend the Member for Kingswood would like history to be compulsory to 16, which is one of the things that the national curriculum review will consider. As I said at the outset, it is clear that some subjects, such as history, which all pupils should have a good grasp of, have been less popular choices at GCSE. The Government therefore want to encourage more children to take up history beyond the age of 14, particularly among disadvantaged pupils and certain ethnic groups. That is why we introduced the English baccalaureate, which will recognise the work of pupils who achieve an A* to C in maths, English, two sciences, a language and either history or geography, to encourage more widespread take-up of those core subjects, which provide a sound basis for academic progress.

The English baccalaureate has already had a significant impact on the take-up of history: according to a NatCen survey of nearly 700 schools, 39% of pupils sitting GCSEs in 2013 in the schools responding will be taking history GCSE, up eight percentage points and back to the 1995 level of history uptake. There are clear benefits to pupils in taking the subjects combined in the E-bac. Pupils who have achieved that combination of subjects have proved more likely to progress to A-level than those with similar attainment in different subjects in the past. They have also attempted a greater number of A-levels and achieved better results. We are also committed to restoring confidence in GCSEs as rigorous and valued qualifications. We will reform GCSEs to ensure that they are more keenly focused on essential knowledge in those key subjects, and with exams at the end of the course to support good teaching and in-depth study.

To refer to the questions of the hon. Member for Cardiff West (Kevin Brennan), what we want to achieve from the national curriculum review is a curriculum that is so good that the academies will want to adopt it, albeit not being compulsory. The national curriculum also does feed in to statutory testing, in maths and English at the end of key stage 2 and the GCSE specifications.

Kevin Brennan: Is the Minister considering writing into funding agreements the requirement that academy schools should teach the national curriculum?

Mr Gibb: No, that would obviate some of the freedoms and the whole essence of academy schools. The funding agreements require the teaching of maths, science and English to 16, thus making them compulsory, but the application of the national curriculum is not compulsory for academies, although it feeds into the specification that determines what is tested and assessed through the GCSE system. In that sense, there is an imperative for schools to teach those subjects.

The essence of the national curriculum review is to produce a curriculum that is on a par with the best in the world, based on evidence of what is taught in those jurisdictions that have the best education systems and against whom graduates from this country's schools will be competing for jobs in the future. The national curriculum, which will be published and available to parents, will be of such a quality that it will become the norm and the benchmark against which parents will judge the quality of their schools.

Finally, I want to touch on the part that teachers play in our school systems as far as history is concerned.

Jim Sheridan (in the Chair): Order. We now come to the next debate.

Millennium Development Goals

12.30 pm

Mr Gareth Thomas (Harrow West) (Lab/Co-op): I secured this debate because I am interested in finding out: what the Government are doing to help galvanise international action to secure a global development agreement for 2015 onwards; what they are doing to engage European Governments, not least through the upcoming EU budget negotiations; and their view of the process proposals and goal ideas in circulation at the moment.

I understand that a task team of senior technical experts from the United Nations Development Programme and the UN Department of Economic and Social Affairs have begun preparing work on the UN's vision and road map for post-2015. Similarly, I understand that the UN Secretary-General is expected to appoint a high-level panel of eminent people to advise on the post-2015 framework, so the agenda is likely to gather momentum in New York. Next year, Britain will chair the G8. With the UN millennium review summit due in September 2013, which is arguably the key moment for agreeing a post millennium development goals agreement, UK Ministers will bear a heavy responsibility for progress—or a lack of progress—on achieving a post-MDGs accord. Thus far—I say this gently—there has been little sign from the Government of serious political leadership or engagement on the issue.

As the Government's policies are putting a considerable squeeze on family incomes in the UK, and as Ministers are so obviously out of touch with the consequences, a debate about poverty in poor countries—and particularly about whether new targets for tackling poverty overseas are required—will seem to some people to be misplaced. However, tackling poverty in the world's poorest countries is surely not just morally right, but fundamental to Britain's long-term interests. We live in an interdependent world, and jobs in the UK, the level and types of disease in Britain, and migration patterns to the UK are all affected by what happens to the world's poorest people. Indeed, the rise of the Taliban and their decision to shelter al-Qaeda in Afghanistan is a powerful example of what can happen when progress in tackling poverty is going in the wrong direction, when states are fragile, and when those for whom poverty is an irrelevance are what passes for being in charge.

The millennium development goals have been remarkably successful in galvanising political leaders, civil society organisations, parts of the private sector, trade unions and donors in the pursuit of tackling poverty. They were launched back in 2000 and are due to be achieved by 2015, and it is likely that the headline goal of halving extreme poverty will be achieved. There has been substantial progress in many countries towards achieving many of the individual goals.

Tony Cunningham (Workington) (Lab): Does my hon. Friend agree that a key to those goals is education? It is difficult for young people in developing countries to get an education. It is more difficult for a girl, and almost impossible for disabled people. We must get to grips with the issue.

Mr Thomas: My hon. Friend is absolutely right, and I hope that the Minister will take advantage of his intervention to bring the House up to date with what the Government are doing to drive progress towards meeting the education millennium development goals.

Some countries have achieved all the millennium development goal targets, and others will have made significant progress by 2015. Clearly, not all countries will achieve all the goals, and some of the poorest—usually but not exclusively those that are, or have been, affected by conflict—are a long way from achieving them. Significant shortfalls remain in the delivery of international commitments to support the achievement of the goals. However, a joint report by the Overseas Development Institute and the Millennium Campaign on progress on the MDGs concluded that although it is not uniform across all countries,

> "the rate of progress in reducing poverty and in increasing access to basic health, education, water, and other essential services is unparalleled in many countries' histories."

Britain undoubtedly played a significant role in galvanising the progress made towards meeting the MDGs through its ministerial support for, and engagement in, the process that saw the MDGs adopted. It maintained pressure for progress up to and beyond the 2005 G8 summit at Gleneagles, and in the UN General Assembly discussions in 2008 and 2009. That support has continued in more recent years, and I acknowledge the role that the Minister and his colleagues have played while in office.

Britain played a crucial role in keeping European aid directed at achievement of the millennium development goals, with the European development framework clearly targeted at the needs of the poorest.

Chris White (Warwick and Leamington) (Con): I congratulate the hon. Gentleman on securing this debate. In the spirit of co-operation that he has shown in his work with me on my private Member's Bill, does he agree that four years is a very short time in international politics, and that it is crucial that the UK starts to lead the debate on the formation of post-2015 goals for global development, and particularly on putting more emphasis on millennium development goal 8?

Jim Sheridan (in the Chair): Order. That is a long intervention. Does the hon. Gentleman have a question?

Chris White: Does the hon. Member for Harrow West (Mr Thomas) agree that particular attention should be paid to goal 8, which is specifically about creating better governance so that we maximise the impact of aid spending and ensure that the gains that we make are not undermined by poor planning and corruption?

Mr Thomas: I agree with the hon. Gentleman. Governance is crucial, and I believe strongly that it needs to be part of a post-MDGs framework. The key question for this debate is what comes after the millennium development goals, from 2015 onwards. Where do Ministers stand on that agenda? Do they support the UN Secretary-General's ambition for a new generation of sustainable development goals, and if they do, what action are they taking to make such an agenda happen?

The Minister will be cautious, understandably, about saying today what should be included among a new set of international goals, but Ministers could help to galvanise the process of agreeing an accord by supporting

[Mr Thomas]

and encouraging international debate on what a post-MDGs agenda might look like. To date, we have heard remarkably little from the Secretary of State on this issue. Has a policy team of civil servants been set up within the Department to corral ideas, and to engage with those in civil society, the UN and other national Governments, particularly in Europe, to drive the UK's involvement in the preparation of such an agenda?

Elsewhere in the UK, among the Catholic Fund for Overseas Development, the Overseas Development Institute, the Institute for Development Studies, Christian Aid, and the Beyond 2015 coalition of non-governmental organisations, there has been real interest in the question. Indeed, the Beyond 2015 coalition has published an interesting and thoughtful set of essential must-haves for a new global development framework, focusing on how a process might work and stressing the importance of the MDGs review summit next year, and the Rio plus 20 process in June this year. That interest in UK civil society is mirrored by a growing interest throughout civil society in developing countries.

Both CAFOD and the excellent Overseas Development Institute have noted how significant the "how" will be in reaching an agreement, and the importance of "what"—that is, what such an agreement should contain. I would welcome hearing how the Minister thinks an agreement could be reached, and what he plans to do to assist.

Civil society interest is clearly key in framing debate, and in involving those in developing countries and developed countries, but Governments must reach agreement. Vital to that is active dialogue within Government, between Governments and their civil society groups and, crucially, at intergovernmental level. That is where the British Government could do more. Although in recent years the G20 has become more prominent, discussions between G8 leaders still matter hugely. Britain will chair the G8 next year in the run-up to the review summit, and it could put a post-MDGs agreement at the centre of the debate between the richest nations in the world.

International negotiations require considerable time and effort, and they make progress only when leaders and national politicians are engaged. A G8-driven agenda to replace MDGs is likely to stir up scepticism and concern, so any agreement must be—and I believe will be—UN-led. It would, however, be a mistake to think that an agreement will be reached without the richest nations on board. As a result of its record and its forthcoming role, Britain is uniquely placed in the G8 to support the UN more visibly in working towards a post-MDGs accord.

There have been a series of initiatives to consider the post-2015 framework. Early suggestions included the roll-over of existing MDGs to 2020 or 2025, or an "MDG plus" agreement that could take some existing core goals in education, health or nutrition, and add three or four new, locally defined, goals. The so-called one world approach would have new goals based on issues such as resilience and climate change. More recent proposals include a gross national happiness index, such as that currently used by Bhutan, for measuring national progress; the UN General Assembly has expressed qualified interest in that. Measuring happiness has begun to be of interest in the UK and in France, and in a series of state governments in the US. A Sri Lankan economist has proposed a series of consumption goals to target under-consumption by the poorest countries and over-consumption in richer countries. The Colombian Government have proposed a series of sustainable development goals that I understand also have the support of Brazil. Those are due to be discussed at the forthcoming Rio plus 20 meeting in June, and focus on addressing global climate change and development. I would be interested to know what the Minister thinks about those ideas.

The Overseas Development Institute has suggested three principles for a new post-MDGs agreement. First, the principle of universality and inclusiveness goes with the grain of existing anti-poverty measures in developing countries such as Mexico, Kenya or Sierra Leone that deal with social protection, education and health care. Such measures create minimum standards of provision that are now within range of many more developing countries than was the case when the MDGs were originally conceived.

The ODI's second principle is that of building resilience and reducing vulnerability. That could provide a focus for the use of renewed G8 and G20 development interest in growth and infrastructure to help tackle inequality and address issues such as capital flight and tax avoidance, as well as other critical environmental issues such as climate change, which reduce a community's resilience and increase vulnerability. Finally, the ODI suggests a principle of building national economies—a key concern of Governments in developing countries, and one that increasingly reflects debate in many developed countries about what should be the priorities for overseas aid.

Perhaps the most interesting specific proposals come from the International Committee of the Red Cross and the Centre for International Governance Innovation. They have proposed 12 new goals that seek to build on existing MDGs while reflecting the changed international context, and they include new methods for devising targets and accounting for progress. As well as arguing for the inclusion of further indicators to improve the living standards of the poor, reduce diseases, eradicate hunger and ensure access to safe water supplies, they also suggest new indicators concerning access to and quality of education—that point will be of interest to my hon. Friend the Member for Workington (Tony Cunningham). They urge a new focus on the reduction of violence, particularly against women and children, the promotion of gender equality, and better access to basic infrastructure, such as energy, information and financial services. They also support indicators of environmental sustainability, access to justice, trade rules and the transparency of Government budgets—that will be of interest to the hon. Member for Warwick and Leamington (Chris White).

At the moment, that list contains too many suggestions to achieve the simplicity that has helped to drive the continuing appeal of the MDGs, and there is perhaps not enough focus on job creation and growth. In my view, however, the proposals merit further serious debate and attention, and in that spirit, I commend them to the House.

Time is ticking, and a new post-MDGs agreement would be a huge prize, with regard to our efforts to tackle global poverty and improve sustainability. Britain

could—and I believe should—once again occupy a pivotal place in the debates, and I look forward to hearing the Minister's plans to achieve that goal.

12.45 pm

The Parliamentary Under-Secretary of State for International Development (Mr Stephen O'Brien): I thank the hon. Member for Harrow West (Mr Thomas) for securing this debate on an important topic. Securing global agreement on a framework that updates the millennium development goals is a major priority for the coalition Government and the Secretary of State for International Development. We are now in 2012, and I welcome the chance to begin talking more openly about the key leadership role that the UK is playing—and will continue to play—on that agenda. Just as MDGs are at the heart of Government development policy, a successor framework should be central to all that we do, which means shaping it to ensure that any future global agreement reflects what we know about achieving results in the fight against global poverty. As one of the leading countries on development issues and with the legitimacy that comes from the coalition Government's commitment to spend 0.7% of gross national income on overseas development from 2013, the UK will play a leading role.

The MDGs set a benchmark for global development policy, and over the past decade they have helped to galvanise efforts to improve the lives of millions of the world's poorest people. The coalition has augmented and built on the previous Government's commitment to put the achievement of MDGs at the centre of the UK's development efforts.

Tony Cunningham: We have spoken a lot about international dialogue and my hon. Friend the Member for Harrow West (Mr Thomas) mentioned the G8 and G20. Will the Minister touch on our relationship with Europe and the European Union? Europe has a key role to play and the dialogue between the UK and the European Union will be crucially important.

Mr O'Brien: I do not plan to talk about Europe on the basis that the hon. Member for Harrow West—quite rightly—focused the debate on the UN. This is an international issue. There will, of course, be continuing discussions vis-à-vis Europe, but the primary focus must be on the UN and driven by the broad international community, not least because of the focus on moving to the post-MDG world and the emerging powers and other bodies that can be brought into a greater international political consensus to help in the battle against poverty.

The coalition is making every effort to accelerate progress with the current set of eight MDGs and particularly with those most off track. The UK's aid effort has been designed, particularly over the past 18 months, to deliver the following key results by 2015, the first of which is to secure schooling for 11 million children—more than we educate in the UK but at 2.5% of the cost. That aim is particularly important for girls, as noted by the hon. Member for Workington. Other aims include vaccinating more children against preventable diseases than there are people in the whole of England; providing access to safe drinking water and improved sanitation to more people than live in Scotland, Wales and Northern Ireland; saving the lives of 50,000 women in pregnancy and childbirth; stopping 250,000 newborn babies from dying needlessly; and helping 10 million more women get access to modern family planning.

Tony Cunningham *rose—*

Mr O'Brien: I will not give way, as I want to make some progress and there is a lot to get through.

Tremendous progress with MDGs has been made globally. As my right hon. Friend the Secretary of State for International Development and the USA's Raj Shah showed in the MDG countdown event at the UN last September, countries such as Brazil, Zambia, Peru and Nepal have demonstrated how political commitment, good policies and targeted resources can make a real difference to the lives of the poorest people.

Over the next four years, we will continue to showcase and celebrate the successes that have been achieved. Of course, that is very important in building and maintaining broad public confidence and consent. However, in 2015, millions of people around the world will still be living in conditions of extreme poverty. It is important that we do not lose the momentum created by the MDGs: 2015 will be the moment to update the framework, building on the success of the current one, so that it can reflect the new challenges and opportunities that we face in a world that has changed dramatically since 2000. The process of building global consensus on that updated framework is starting now.

The MDGs have played an important role in generating global political consensus on development and worked well as a communication and advocacy tool, both with the UK public and internationally. The framework, with its tightly focused set of targets and indicators, has also helped to strengthen the availability of data in developing countries and thereby made it easier to put a greater focus on results. However, the MDG framework has had its limitations.

A number of critical themes and issues were not included—the importance of economic growth or conflict and fragility, for instance. There are concerns that in some cases the poorest and most vulnerable have been neglected and not even explicitly referred to or focused on. An example is people with disabilities—another point mentioned by the hon. Member for Workington. There are concerns that the plight of the poorest and most vulnerable has often been masked by the average success rates in countries where progress has been very uneven.

Ownership of the MDGs at country level has been patchy and has not always been closely linked to a country's own plans and objectives. In some cases, the framework has also created perverse incentives. For example, it has incentivised a focus on measuring school attendance, rather than the quality of education or retention of students in education. It has also made it more difficult to deal with critical problems that are best tackled multi-sectorally.

An updated framework will need to deal with the weaknesses, while capitalising on the strengths of the current MDGs, ensuring that we retain the simplicity of the current goals, intensifying the political imperative to focus on poverty reduction and building on the progress achieved so far. An updated framework needs to reflect the new global context. Of course, the world has changed since the original MDGs were created: it is no longer as easy to divide the world into countries that we would classify as either developed or developing. India alone

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has more poor people than all of sub-Saharan Africa, but India faces rich-world and poor-world problems at the same time.

An updated framework will need to resonate with the Governments and citizens of emerging powers such as India, as well as dealing with the needs of low-income countries. Moreover, in parts of the world, aid is likely to become a much smaller share of external financing for development in the future. As aid dependence falls in certain countries, a development framework that focuses mainly on targeting aid will be less relevant.

The principles for an updated framework are fourfold, so people are not being quite as cautious as the hon. Member for Harrow West feared. Four principles seem to be emerging from the discussions about post-MDGs. The Secretary of State is considering whether those principles would help to take forward the revision of the framework. I can confirm that we have already set up a team of officials in the Department for International Development's policy division. That involves the most senior officials. Ministers are already having regular discussions with international counterparts on the post-MDG question.

The first principle is that the process to agree an updated framework needs to involve new powers and engage citizens, especially those who are most vulnerable and marginalised. Last time, the OECD-led process meant that ownership at country level was weaker than it should have been.

Secondly, there is a need to retain a simple set of global goals, but to enable greater ownership and accountability at national level, allowing nationally defined indicators and targets. National targets should still link into a global agenda that enables us to get a sense of overall progress.

To pick up one of the ODI points referred to, the third principle is universality. There is a strong view that, after 2015, we will need goals that resonate with the aspirations and challenges of citizens in emerging powers and OECD countries, as well as those in poor countries. However, there is also the view that we need to seek universal outcomes to ensure that the poorest and most vulnerable are not neglected and, indeed, that inclusiveness applies.

Fourthly, an updated framework must incentivise action beyond aid. Goals should recognise that we are talking not only about aid transfers, but about all financial flows, including domestic public and private revenues—a framework that incentivises better resource allocation and helps to measure results. That is vital to the points on governance and anti-corruption measures that my hon. Friend the Member for Warwick and Leamington (Chris White) rightfully highlighted. It is a useful point to make that the international Open Government Partnership, which the UK is chairing with Brazil, will provide opportunities to build alliances to ensure that governance and transparency are incentivised as part of the successor framework to the MDGs.

The discussions about what should happen to the MDGs after 2015 are getting going on the international stage. We are in the early stages of the process, but the coalition Government are already actively engaging with old and new partners to shape the debate. Thanks to the all-party consensus on the 0.7% and the UK's broader credibility and status on development issues, we have the potential to play a critical leadership role on this agenda internationally.

The Secretary of State has spoken to the UN Secretary-General, indicating our readiness to continue to play a leadership role. The Rio plus 20 sustainable development conference in June will provide a key occasion for the UK to further the debate. We are seeking opportunities on every occasion to develop consensus on a post-MDG framework. We are doing that with others in the UN and the G8, with other Governments, with foundations and with the private sector.

Mr Thomas: I specifically asked the Minister what discussions he has had with colleagues in Europe. Let me ask him even more specifically whether European International Development Ministers, at the regular formal meetings that take place, have discussed the post-MDGs summit and whether a British Minister from the Department for International Development will go to Rio plus 20. One would expect someone from the Department of Energy and Climate Change to go, but surely a Minister from DFID should attend as well.

Mr O'Brien: Of course, discussions have been happening both at the formal level and in the informal like-minded group—the hon. Gentleman will be aware that those are also very important meetings. They are broad discussions, but in relation to establishing the principles for the post-MDG framework, the primary focus has been on the more international, UN-driven bodies. Of course, he is right to identify—to some degree, this answers the point raised by the hon. Member for Workington—that discussions are going on around Europe, but as yet it has not become a critical focus. It is something that we are trying to lead and push on, as we have those various meetings.

Particularly with regard to the UN, it is important to recognise that the discussions are held with other bilaterals, groups of countries and key Governments such as Brazil to ensure that the interest in the sustainable development goals, to which the hon. Member for Harrow West referred, and the post-MDG agenda are brought together. That is a cross-Government agenda involving DFID, the Department for Environment, Food and Rural Affairs and the Foreign and Commonwealth Office. Given that cross-Government basis, the hon. Gentleman is quite right: of course there will be ministerial attendance at Rio. I am not in a position at the moment to confirm which of the Ministers will attend—that would be premature—but I can certainly assure the hon. Gentleman that the matter is being given the very high importance that he would expect.

We hope that there will be broader engagement by all interested parties, the UK public, the private sector and others to help us to define the agenda for international development for the next generation, not least because the MDGs were very useful in setting not just the advocacy but the aspirational drivers that supported it politically.

The four principles that I articulated, which are the key to ensuring that the post-MDGs are framed in the correct way, are the ones that the Secretary of State in particular and personally is taking forward. Those principles are that the updated framework on development needs

to be legitimate, that it needs to balance better the relationship between the global and the national, that there needs to be universality and inclusiveness and that the updated framework must incentivise action that will be owned at country level.

I am thinking about the example that the hon. Member for Workington gave about education. Looking at education in relation to the post-MDGs, we will want to build on the dramatic progress on enrolment, but also to shift the focus on to incentivising learning outcomes. This is not just about retention and particularly getting girls into school and enabling them to sustain their education to secondary level, but about ensuring the quality of education and the attendance of the teachers and ensuring that that is sustained throughout. I do not know whether the hon. Member for Workington would like to make a short intervention now; there is about two seconds to go.

Tony Cunningham: I wanted the Minister to deal with the issue of disabled children; that was all.

Mr O'Brien: I covered the disablement point, which was one of the few notable absences in the original drafting of the MDGs. I hope that that can be rectified in the post-MDG framework, with a focus on the most vulnerable and the poorest. All of us who have travelled around various countries in the poorest parts of the world will know that one of the hidden but great concerns relates to the access to services that disabled children have.

School Transport

1 pm

Nicky Morgan (Loughborough) (Con): It is a pleasure to lead today's debate under your chairmanship, Mr Sheridan. After my question to the Minister in November on school transport, I am sure that he was not entirely surprised to see my name associated with the topic today, and I am pleased that he is here to answer this afternoon's debate.

If all politics is local, nowhere does that seem to be more true than on the vexed issue of home-to-school transport. My interest in school transport policy arises from the decision of Leicestershire county council on the provision of a bus service to take pupils from the village of Sileby to Humphrey Perkins school in Barrow upon Soar in my constituency. A smaller number of families in Mountsorrel are also affected, but I will particularly focus on Sileby today. The objection in my case arises from the council's view that the proposed walking route from Sileby to Barrow is safe and the strongly held view of almost everyone else that it is not.

Before I dwell on local matters, I feel duty bound to explore why the Minister and the Department for Education should have an interest in the subject despite the fact that the assessment of walking routes and decisions about the provision of home-to-school transport and on appeals made by affected families are all matters for local authorities. I firmly believe in localism and that local authorities and elected local members should make decisions about school transport routes—as long as they are made fairly and transparently.

National legislation, namely the Education Act 1996, as amended, governs the duties and powers of local authorities in England to provide home-to-school transport. In addition, case law on school transport and "Home to School Travel and Transport Guidance", published by the then Department for Education and Skills in 2007, contains detailed guidance on the provision of school transport. In March 2011, the Department for Education commissioned a review of efficiency and practice in the procurement, planning and provision of school transport across England. Section 509 of the 1996 Act states:

> "A local education authority shall make such arrangements for the provision of transport and otherwise as they consider necessary, or as the Secretary of State may direct, for the purpose of facilitating the attendance of persons not of sixth form age receiving education...at schools".

The 1986 case of Rogers *v.* Essex County Council was one of the most significant brought in recent years on available walking routes. In its ruling, the House of Lords stated that for a route to be available within the meaning of the 1996 Act, it must be a route

> "along which a child accompanied as necessary can walk and walk with reasonable safety to school".

A route does not fail to qualify as "available" because of dangers that would arise if the child remained unaccompanied, but the Court also held that a route is available even if the child would need to be accompanied along the route, as long as it is reasonably practicable for the child to be accompanied. Local education authorities can therefore take into account parents' capacity to accompany their child. Following that judgment, the law was changed so that in considering whether a local education authority is required to make arrangements

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in relation to a particular pupil, it shall have regard to, among other things, the age of the pupil and the nature of the route or alternative routes that they could reasonably be expected to take.

Hon. Members must forgive me, because I am afraid that I am showing my background as a lawyer, but the history is helpful. In George *v.* Devon county council 1988, the High Court took the view that

"For an ordinary child whose home is within walking distance, but who applies under"

the relevant section

"a local education authority should consider: the age of the child and the nature of the route which he could reasonably be expected to take; the question should the child be accompanied on the route or alternative routes? If the answer is 'no', then normally there".

is

"no case for free transport. If the answer is 'yes', then"

the next question is

"whether the nature of the route or alternative routes is dangerous for the child if accompanied. If the answer is 'yes', then normally there would be a case for free transport. If the answer is 'no', then: the question"

is

"whether it is reasonably practicable for the child to be accompanied. If the answer is 'no', then normally there would be a case for free transport."

Consequently, local education authorities must consider section 509, together with the various legal rulings, in defining their policies on the provision of school transport and the eligibility of individual pupils for free transport. Pupils, parents and families are encouraged to turn to the Directgov website for views on national policy. It states on its home-to-school transport page that

"Safe walking routes are those which usually include road crossings, good lighting and well maintained pavements and footpaths. LAs are required to assess the suitability of walking routes."

Having set out the national policy background, I will turn to my local issue. Leicestershire county council stated its view on the Directgov approach in a letter to me dated 20 July 2011 from the assistant director of transport:

"'Safe' is a very absolute term and it is not possible to guarantee that anything is absolutely safe, so it is an unreasonable stipulation. The law requires that a walking route be 'available' for a child accompanied as necessary by a responsible adult and it is this criterion that we apply."

As I have mentioned, however, a route also has to be reasonably safe, and therefore the dangers of a particular route should be taken into account.

In February 2011, a Leicestershire county council scrutiny review panel reported to the council's cabinet on the council's home-to-school transport policy. The panel was asked to consider, first, how available walking routes are assessed and the appropriateness of the current method of assessment, and, secondly, what are known in Leicestershire as "historic exceptions" and whether such services are still justified. Historic exceptions are bus services provided free to children despite the route length being under the statutory distance and despite a route having subsequently been assessed as available for children to walk. Children using services on those historic exception routes will continue to receive free transport until September 2012. The Sileby to Barrow route is not an historic exception.

Andrew Bridgen (North West Leicestershire) (Con): I thank my hon. Friend and neighbour for securing the debate on school transport, which is also a major issue in my constituency. Does she agree that under current guidelines common sense sometimes appears to go out of the window? In my constituency, there have been instances of older children retaining free bus passes, while younger children in the same household are asked to walk to school. Does she appreciate how frustrating it can be when a household is judged to be outside the three-mile limit and gets free bus travel, but the next-door neighbour is judged to be within the limit and their children are asked to walk to school? Surely we need discretion and common sense in such cases.

Nicky Morgan: I entirely agree with my hon. Friend. Common sense has been lost as part of the debate and in reviewing the routes. I have exactly the same situation in Mountsorrel, where apparently older children already at the Humphrey Perkins school will continue to receive free bus passes and younger children starting at the school will not.

In undertaking the review, the scrutiny review panel was asked to have regard to the financial, environmental and health implications of any proposed changes to existing policies in the context of the legal obligations placed on the county council. The overall review was conducted as part of the council's medium-term financial strategy. The panel did not consider the Sileby to Barrow route and nobody with an interest in the route, such as the headmaster, the families or local councillors, was asked to give evidence to the panel. In reaching its conclusions, the panel decided that the width of a footpath and the lighting of a route did not need to be considered when a route is assessed, which is where common sense has gone out of the window.

In May 2011, parents of pupils in Sileby and Mountsorrel due to start at Humphrey Perkins school in September 2011 were written to and told that free school transport would be available for their child. Imagine their surprise, and the surprise of the head teacher, who also knew nothing about this, when in late June last year they and the families of children already receiving free transport, because the route was deemed to be unavailable, received a letter saying that that would no longer be the case and that because they lived less than three miles from the school and there would now be an available walking route, they would not be eligible for free transport and instead would have to pay for a school bus service. It was at that point that a campaign group was formed and I was made aware of the problems that the 53 parents in Sileby face.

Annette Brooke (Mid Dorset and North Poole) (LD): I congratulate the hon. Lady on securing the debate. We have many problems in Dorset, and I want briefly to share some similar stories. I consider age to be a vital factor, in so far as a 13-year-old would not wish to be accompanied, so it is not a matter of the availability of somebody to accompany them. A rural lane with fast traffic is incredibly unsafe. I hope that she will expand on the point that notifying parents at the last possible

moment or halfway through a sixth-form course, given that a choice will have been based on previous information, is unacceptable.

Nicky Morgan: I entirely agree with my hon. Friend and congratulate her on the early-day motion on the topic, which has been signed by hon. Members from across the House. She is right that the safety of routes has not been considered and another frustrating point is the manner in which notifications have been sent out.

As I have said, a campaign group was formed in Sileby. To cut a long story short, the council admitted shortly afterwards that insufficient notice of the change had been given. The decision to withdraw transport was postponed for a term, and I was promised that a new assessment of the route would be conducted once the clocks had gone back in the autumn.

Why do we all consider the route to be dangerous? My hon. Friend the Member for Mid Dorset and North Poole (Annette Brooke) has mentioned some of the dangers of such routes, but much of the Sileby to Barrow route has a footpath on only one side of the road, so that children—and adults—returning from school have their back to oncoming traffic. The footpath is narrow and there are several pinch points where everyone has to walk in single file—we are talking about 11-year-old children not messing about on the way to and from school. The speed limit along the road is 40 mph, and it is regularly exceeded. There are industrial estates, a deep ditch and a conveyor belt for a nearby quarry. The road is also so narrow at points that if two large vehicles pass each other the wing mirrors overhang into the footpath at head height.

Alas, the promise to wait for the next assessment to be conducted after British summer time ended and before any further decisions were taken was not fulfilled, and parents received further letters in October to say that as the necessary cutting back of vegetation had now happened along the walking route the free bus service would no longer be offered to them from this month. Meanwhile, despite my urging the county council to work with the school to examine alternative services, no contact was made with the headmaster between July and late October 2011. The council has since then had contact with the school about an alternative service, but that would be at almost double the cost of the service now procured by the headmaster. The council has also indicated that, when the school becomes an academy, home-to-school transport will no longer be its concern. I hope that the Minister can address that point. On a practical level, today, on the second day of term, the service for children living less than three miles from the school has been withdrawn, and some will now be using the train to get from Sileby to Barrow. I expect that others will be driven to school, which will increase congestion, and some will walk that route.

The walking route that some children will have to use remains, in my opinion, highly dangerous and therefore not "available" as the legislation requires, because even an accompanied child cannot walk along it with reasonable safety. The real question for us, as a national legislature, is whether the national legislation and guidance reflects the realities of modern Britain, or whether the safety of our children is at risk, when a route can be deemed to be available when it is clearly unsafe.

Priti Patel (Witham) (Con): Does my hon. Friend agree, having touched on the safety of children going to school, that parents of children with special educational needs, in particular, are deeply worried? A case of mine concerns Melanie Green, whose 7-year-old son Aaron Green is given no support in going to school. I would welcome it if the Minister were to look at that case. In modern Britain, with our children's changing needs, the area in question is one that must be considered thoroughly. Local authorities in particular must pay more attention to it.

Nicky Morgan: I entirely agree. I am sure that the Minister has heard and will hear representations about the particular case that my hon. Friend has mentioned. She is right about the need to return to a common-sense approach and consider the needs of individual families, whether it is the parents or pupils who are affected. There are parents with disabilities who cannot accompany their children to school, because they just do not have the physical ability to do so, yet somehow they are deemed to be able to accompany their children. This is a huge issue for many hon. Members, across the House, and I am glad to have the opportunity to allow them to express their frustrations and views today.

George Freeman (Mid Norfolk) (Con): Does my hon. Friend agree that at the heart of the question is the issue of one size not fitting all, and legislation not working in rural areas in the same way that it does in urban ones? In cities, many of us will have seen happy gangs of schoolchildren walking and cycling safely to school in a morning. In rural areas, increasingly both members of couples are working, and at rush hour families who commute are affected by the cost of fuel and the higher speed of traffic. There is much more traffic on rural roads, and many people in mid-Norfolk live more than two or three miles from a local school. School rush hour in rural areas is a real problem. Norfolk now provides 24,000 free journeys a day, which has been described as the tip of the iceberg. That is a problem across rural areas, and I urge the Minister to see whether the criteria can be reviewed to take account of the important change that has taken place in the past 40 years.

Nicky Morgan: My hon. Friend is right. He is concerned for parents, I am sure, across the country, but rural areas are particularly badly hit. My constituency example involves two villages and the route between them, which is rural and unlit. I shall discuss working hours as well, and I am sure that the Minister has taken my hon. Friend's comments on board.

As I mentioned at the start of the debate, the Leicestershire county council test is that

> "a route is available if it is a route which a child, accompanied as necessary, can walk with reasonable safety to school."

We have talked about the reasonable safety point, and I will not labour it, in view of the time, but I want to deal with the question of the child being accompanied. To assume that children will be accompanied is surely to ignore the reality of much of family life—many parents now work—and the way in which the school day interacts with the working day. To walk three or more miles to a school will take an adult at least 45 minutes. When I walked the Sileby to Barrow route with the head teacher, the local PCSO, a parent, the leader of the county

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council and local councillors, it took us more than an hour, and we had no children with us. The policy therefore assumes that the relevant adult has between three and four hours spare walking time a day to accompany the child. Clearly that is totally unachievable.

My example in Leicestershire is not an isolated one. The Campaign for Better Transport has revealed that 38% of councils are reviewing or cutting transport to faith schools, and 46% are reviewing or cutting transport to schools other than faith schools. I fully understand the need to make savings in light of the appalling economic legacy left by the previous Government and the tough choices that that means for our local authorities, but there are some changes in services that have potentially devastating consequences.

I want to ask the Minister to address the following points: first, will he update the Chamber on the progress made on his Department's review of efficiency and practice in the procurement, planning and provision of school transport across England? Depending on the stage that has been reached, will the review team consider how the safety of travelling children is being assessed by councils?

Secondly, will the Minister, perhaps in conjunction with the Department for Communities and Local Government, consider whether there is scope for issuing advice or guidance on how local authorities should handle decision making around the withdrawal of transport services? In particular, I think there should be advance consultation requirements, minimum notice periods and an obligation on local authorities to work with schools and colleges in relation to the provision of alternative services before services are withdrawn or fundamentally changed.

Thirdly, what is the position of those schools that become academies? Does conversion mean that an LEA is relieved of all its obligations in relation to home-to-school transport?

Finally, will the Minister, perhaps as part of his consideration of the responses to the review, consider whether the time has come for a clearer statutory test on whether a route is or is not available? In particular, is it time to drop the assumption that children will be accompanied, and should not child safety be considered above all other factors when considering whether a walking route is now available?

I am grateful to all the hon. Members who have attended today for their attention and for their support.

1.18 pm

The Parliamentary Under-Secretary of State for Education (Tim Loughton): I have barely 12 minutes in which to take up all those questions, and I have a horrible feeling that I am not going to finish what is a fairly long and technical speech. If that happens, I shall give my unsaid comments to my hon. Friend the Member for Loughborough (Nicky Morgan). I congratulate her on bringing this important subject to the Chamber. I agree with all the considerations that she raises. She made some important points, and I pay tribute to the way that she has rolled up her sleeves and seen the situation in her constituency, as a good MP should.

Other hon. Members presented their points well. My hon. Friend the Member for North West Leicestershire (Andrew Bridgen) described the inconsistencies over the three-mile limit and different treatment of people in the same family and said that common sense was required. That is a fair point.

The point about late notification made by the hon. Member for Mid Dorset and North Poole (Annette Brooke) is particularly relevant. I have come across that problem in my constituency, when parents have been told at the very end of term that, from the following term, the bus will not be available. We must do a lot better on that front.

My hon. Friend the Member for Witham (Priti Patel) mentioned considerations about special educational needs, which I shall discuss if I have time. We need greater flexibility there. There are examples of local authorities that will pay or subsidise parents, where they can, to provide the transport for those children themselves, rather than using expensive chaperoned taxis or school buses. Certainly flexibility is a requirement with SEN.

My hon. Friend the Member for Mid Norfolk (George Freeman) also talked about considerations in rural constituencies in particular and the one-size-fits-all approach, which clearly will not work. We must ensure that we have a school transport system that reflects people's lifestyles in the 21st century, as well as changes in education and educational establishments.

By saying all that, I have eaten into my time. My hon. Friend the Member for Loughborough has asked for clarity on four key points, and I will endeavour to provide that during my response. I agree with the broad thrust of her remarks. First, school transport is one of those areas where local decisions really do affect local people, and it should not be for Whitehall to dictate such decisions.

Secondly, in my position as Minister for Children, I hear from parents that the safety of their children is one of their paramount concerns. I have been holding discussions with my colleagues from the Department for Transport, particularly with the Under-Secretary of State for Transport, the hon. Member for Lewes (Norman Baker), because we have a joint interest in this matter. This is clearly an area in which more work needs to be done, and this debate will be a useful addition to the wider discussion. I shall include hon. Members who are present today and others in the work that we will undertake in the coming weeks and months.

Thirdly, local authorities are having to make difficult decisions and to prioritise the services that they provide, but that cannot and should not be at the cost of the safety of children and young people.

In responding to my hon. Friend's points, I intend to set out the legal basis for home-to-school transport, including the status of guidance available from Government. I want to give details on how it is funded, what routes of redress are available to parents and others and briefly to update the rather slow progress of the review of efficiency and practice commissioned by the Department.

We are debating the Government's policy on home-to-school transport. Like many areas of education policy that we have inherited, this policy has grown over the past 20 years into a bureaucratic, costly source of frustration for many parents. Local authorities are now spending well in excess of £1 billion a year, yet some are

not able to say exactly how many pupils they support or whether that support is meeting the needs of the children who need it most.

As communities have grown and evolved, the links between schools, transport and communities have, if anything, become more fragmented. yet I do not wish to paint too bleak a picture. Some authorities have risen above the challenges and are making savings to their budgets, but without the fuss and furore described by my hon. Friend and other colleagues in the Chamber today. The East Riding of Yorkshire, a predominantly rural authority, has developed an in-house software system combined with Ordnance Survey's geographical information system to review the efficiency of all its bus routes. The resulting efficiencies arising from the planning and rerouting of a number of existing services, over three years, led to more than £1 million of savings.

The Department decided to start a review to identify and promulgate those very learning points from and for local authorities. Before launching the external review, officials from the Department undertook a review of the legal position to examine whether it required any amendment. The coalition has at its heart an ambition to reduce the inequalities in attainment that we still see in our education system. Too many young people's destiny is governed by their family background and too few quality places are available to all parents. Only when every school is a good school can parents feel that they have a real choice from which to express a preference. Obviously, school choice is relevant to the transport issue, especially for people who do not live in urban areas.

Increasing the supply of good places is paramount to the coalition, which is why we have expanded the academies' programme and established the free schools programme, with the first 24 schools now operational. The theory is quite simple: rather than bus the child to the school, bring the school to the child, and give parents and teachers the power to establish a school in their community and reduce the reliance on transport as far as possible. With that rather simple mantra, we concluded that the current legislative basis, while not perfect, is sufficient to meet the Government's policy ambitions. Our decision was further strengthened by the experience in Northern Ireland, where changes such as revising the statutory walking distances were considered but not proceeded with on the basis that they would have significant funding implications—communications, assessments and so on. Given our economic situation, we were not willing to commit to such a cost.

The legal basis of school transport remains unchanged. Local authorities must provide free home-to-school transport where a child is attending a school beyond the statutory walking distances of two miles for pupils below the age of eight and three miles for those aged eight and over and no suitable arrangements have been made by the local authority for the child to attend a school closer to their home.

The Education and Inspections Act 2006 amended the legislative framework by inserting a number of transport provisions into the Education Act 1996. Of relevance for today's debate are sections 508B and 508C and schedule 35B of the Act. Section 508B places a duty on local authorities to provide transport for eligible children. Eligible children are defined in schedule 35B. They include those children who are unable to walk to school because of their special educational needs, mobility problems or where they cannot reasonably be expected to walk because the nature of the route. Certain children from low-income families are also eligible under schedule 35B. Such provisions are often referred to as the extended rights.

Section 508C of the Education Act 1996 provides local authorities with discretionary powers to make travel arrangements for those not covered in 508B and make financial provision, in full or in part, for travel under such arrangements. Those provisions apply irrespective of whether the school the child attends is a maintained school, a foundation school, or as my hon. Friend has asked, an academy.

I have told hon. Members that my contribution would be technical, so I will have to continue at this pace. How is this duty funded? Without going into copious details, local authority transport duties are funded through a combination of revenue support grant and local generated council tax. In respect of the extended rights, the Secretary of State for Education provides an additional funding stream which for 2011-12 and 2012-13 amounts to £85 million. As this funding is not ring-fenced, it allows local authorities to work with their communities and set their priorities accordingly.

As my hon. Friend has stated, local authorities have already begun to tackle their spending. However, not all have approached it in the same methodological manner, and I have had a number of letters from concerned families who say that bus routes have been changed or cut and that they have to find, in relative terms, quite significant sums of money. Many decisions are driven solely by financial constraints, but there are examples where the local authority has saved money, managed the communications well and established a sustainable process for future changes. Departmental officials are now working hard to finalise the report and shine a light on those case studies. It is clear from the review that local authorities must make savings and can do so without the effects on provision that many of us have seen and heard about.

Leicestershire's allocations were £640,000 in 2011-12 and £795,000 this year. Those are not insignificant sums. I am aware that in some authorities this non-ring-fenced funding is proving to be generous, and having met their statutory responsibilities, some authorities are using their discretion in how they meet any demands that they face. That has included making transport arrangements for children who are not entitled to free transport.

I also want to set out the legal basis in respect of safety. I want it to be clear that responsibility for road safety, even in school transport, actually rests with my ministerial colleagues at the Department for Transport. We are as one in our determination to make our roads as safe as possible, while ensuring that common sense is applied. There is a statutory duty on local authorities to ensure that suitable travel arrangements are made for eligible children for the purpose of facilitating their attendance at school. We are quite clear in our statutory guidance that local authorities are under a duty to make travel arrangements where the nature of the route is such that children cannot walk along it in reasonable safety—accompanied as necessary—where the distance is within the statutory walking limit.

[Tim Loughton]

In assessing route availability, authorities are obliged to conduct an assessment of the risks that children may encounter on the route. They include the volume and speed of traffic along roads, overhanging trees or branches and ditches, rivers and so on. The age of the children must also be considered and any assessment should take place at the time of day that children are expected to use the route. That is common sense, but it does not always happen. Many local authorities follow the guidelines provided by Road Safety GB, which is the national organisation that represents local government road safety teams across the UK and works with them in fulfilling their statutory role.

While ensuring that children remain safe, local authorities should, quite properly, take advantage of improved measuring technology and route availability that takes into account new building and infrastructure developments, in identifying new and suitable walking routes where previously there was no right of way. That is where the use of new technology, such as the public sector mapping agreement, which provides authorities with free digital geographic mapping data, has resulted in authorities being able to plan more efficient walking and school bus routes. That has led to significant efficiency savings without authorities having to withdraw services. The draft report will recommend better use of freely available public sector data to build a picture of service provision and use.

The processes followed by Road Safety GB are accepted as the industry norm, and that best practice has been built up over many years. Indeed, Road Safety GB is in the process of refreshing its guidance, and although we await the final outcome, I am informed that substantial changes are unlikely. The guidance will continue to reflect both case law and education legislation requirements. It will be amended to be easier to use and follow and to accommodate legislation changes, but there will be no additional pressure on assessors to make walking routes available.

In conducting an assessment of a walking route, there will be an element of subjectivity, given the wide range and mix of roads and surrounding terrain. That makes it difficult to advise on every eventuality and capture the subtleties in a definitive statutory instruction. However, Road Safety GB considers that the guidance sets the parameters appropriately, drawing on case law and education legislation, so that any personal judgment required by assessors is not too great. In the light of those safeguards, further intervention by the Government into assessment practice will simply be a bureaucratic burden, which is something that we are actively trying to resist.

On the subject of local consultation and local decisions, I understand that when proposing changes there is a need for sensitivity and reassurance over children's safety and that there is an opportunity for parents to challenge and debate with the authority. That is why the statutory guidance states that local authorities should consult widely on proposed policy changes and that at least 28 days, in term time, should be set aside for the process to be completed. Local authorities should also have in place, and publish, a robust appeals procedure for parents to follow should they have a disagreement with regard to the provision of transport. As I am not satisfied that we have such a procedure, I will take the matter away and reconsider it.

Jim Sheridan (in the Chair): Order. We must move on to the next debate.

Deregulation

1.30 pm

Dr Thérèse Coffey (Suffolk Coastal) (Con): Thank you, Mr Sheridan, for calling me to speak. It is a pleasure to serve under your chairmanship in this important debate about Government policy on deregulation.

I secured this debate partly to publicise the Government's desire to slash red tape for businesses—and, indeed, in every walk of life—but also to encourage businesses to be very specific, and to participate in the review of red tape so that we do as much as we can to get rid of the red tape that is strangling parts of our industry.

If I were giving a termly report, I would say to the Minister and his colleagues, "Good progress so far, but could do even better." I agree with others that many huge strides have been made. Understandably, the topic of red tape has the full attention of the Prime Minister and No. 10 Downing street, but it is important that it has the attention of all Departments, covering every industry possible.

My challenge to the Minister and his colleagues is to go further and faster, because in many cases deregulation is free; in fact, it will often save businesses and Government money. Even more importantly, however, we all know that regulation often drives cost. That relates not only to implementation by businesses of measures such as the waste electrical and electronic equipment directive, but the bureaucracy, including inspection to check that measures have been implemented. Regulation is a self-perpetuating industry. We know that the forces of conservatism are entrenched when it comes to ensuring that we have good regulation, which often means a lot of regulation. However, the Minister and I know, as do many other Members, that it is not a case of having no regulation; often, it is a case of having better regulation and less regulation.

It will take great will-power to wrench aspects of bureaucracy into the post-bureaucratic age. Take a simple thing like the requirement for companies to keep six years' accounts or VAT records. If there are not going to be tax losses, why do we not trim that requirement down to two or three years? There is a desire by Government to make sure that companies have information, just in case. There are other aspects of administration that require businesses to provide information constantly to the Government, whether it is to the Office for National Statistics or other bodies. Frankly, all those things add very little value to a business in its own microcosm; basically, they provide information for free to the Government; they are a way of generating data. In the macro-economic sphere, they may seem good, but if businesses are employing people just to generate statistics or other information for the Government, just in case it is needed, or to comply with a policy, or to satisfy an insurer, and so on, the risk is that businesses will use that talent and those resources not seeking to grow, but seeking to comply.

Of course the European Union has been a huge source of the regulations that have been brought into British law. The majority of the regulations imported from the EU have been generated as a result of the single market and the EU continuing to issue directives. Although I think that we are all great supporters of the single market, I am sure that many of us are not particularly enamoured of how much regulation the single market has brought to our shores. In particular, I am thinking of aspects of certain environmental directives, such as the habitats directive or the water directive.

In a recent statement, the Chancellor said that we want to review quite a lot of those directives, not only to check that they are having the desired effects—the UK Government would not have signed up to them if they did not wish to see a more general approach in particular areas—but to ask whether we are being over-zealous in our interpretation of the directives. Are we getting the balance right between what is in the interests of people and what is in the interests of nature? Are we getting the balance right between consumer and producer? It is critical that we ensure that we have a harmonised approach to understanding how directives should be implemented; we certainly should not gold-plate them in their implementation.

Just last week, I met farmers from my community who are worried about the water directives, how they have been implemented, and the risk that implementation causes in terms of abstraction. That matters because Suffolk is a great producer of many of the crops that we all enjoy around the UK. Suffolk has three potato seasons a year, and it also produces other root vegetables. If Suffolk was not producing that quantity and quality of food, we would basically have to start importing a lot more food. We must ensure that we get the balance right. Elements of food security matter, but so does the environment. We have to respect the environment, sustaining it for the future, and our own farmers know that better than anybody else; they do not want to put themselves out of business overnight. A balanced, sensible, common-sense approach, which involves farmers as much as possible, is needed.

There is another community initiative in my area that has recently been affected by regulation. Plans for a community transport bus are being frustrated at the moment because of a restriction that means that people who passed their driving test after 1995 can carry only a certain amount of weight. That is another European directive that was probably common sense when it was introduced, but it has meant that fewer and fewer people can volunteer to be drivers, or can get their expenses back. That is because the allowable driving weight limit was set some time ago. Of course, those who drive people in wheelchairs, or something similar, around will know that those pieces of equipment have often since become heavier as more technologies are installed in them. As a consequence, fewer people than we would like are able to fill the important role of volunteer driver.

Of course, it is not only European directives that we have put into our regulation; many directives are home-grown, and they often come about in reaction to particular events. Dare I say that the "something must be done" brigade see something happen, and may react by saying, "Something must be done about it; let's regulate to try and change this behaviour"? We all know that it is not necessarily possible to change behaviour by legislating. We can try to criminalise certain activities, but what is really important is having more positive indications of how we want people, companies and indeed our own councils to behave, rather than simply having a rule whereby they must do something.

Elizabeth Truss (South West Norfolk) (Con): Does my hon. Friend agree that quite often the regulations that we are discussing have a disproportionate effect on small businesses? For example, farmers in South West Norfolk who are struggling with the natural habitats directive have had to have endless meetings with the local council, Natural England and the Department for Environment, Food and Rural Affairs to sort things out, which is a huge burden on their administrative time. Moreover, quite often, large businesses, particularly in the banking and energy sectors, lobby Government and support them in introducing more regulation, because they see regulation as a barrier to entry for smaller businesses that are trying to enter those important markets.

Dr Coffey: My hon. Friend makes a fair point, and on the subject of energy, the energy red tape challenge will close in less than an hour, according to the Twitter feed on the red tape challenge.

I understand my hon. Friend's point completely. There is an interesting balance to be struck in legislating for safety by introducing regulations. I agree with her that we do not want unnecessary regulations introduced to try to keep cartels or oligopolies going. Whether it is in response to the REACH—registration, evaluation, authorisation and restriction of chemicals—directive or the herbal products directive, which we are busy trying to implement at the moment in response to European laws that have been passed, there is an argument for allowing people to make their own decisions and choices, rather than having regulation decide things for them.

I also wanted to refer to my hon. Friend's work on child care. She has done quite a lot of policy work about the cost of child care, and how costs that have been driven into the industry mean that child care becomes exceptionally expensive for parents who want to go to work, but who sometimes cannot afford to, or for whom work seems only to pay for the costs of child care. The question is rightly being asked: what is driving that cost? Looking after children of course takes skill, but it need not take a graduate degree. Over the years, we have ended up with various regulations, leading to a situation in 2009 when two police officers were told that they could not look after each other's children for more than so many hours at a time because, as they were not registered as child minders, the activity was deemed illegal. The Government looked into the matter, but this is another example of common sense being replaced by some bright spark's desire to ensure that children are looked after only by child minders, rather than by their parents' friends or colleagues.

Another issue that comes up regularly is the portability of the Criminal Records Bureau check. Someone going into a school might need five different CRB checks, depending on the activity they want to do. I know that the Government are looking into such issues but, as I said at the start of my speech, I encourage them to go much further, much faster. Not only will that help their constituents, but it will free up Government time to focus on what really matters—assisting people at home and helping businesses to grow and to employ people.

The Prime Minister is reported to have said in the past few days that he is looking for Ministers to ensure that their Bills pass the U-turn test—in other words, to ensure that there are no U-turns. Some of this is about drafting simpler legislation, but a lot of it is about not trying to regulate for every possible scenario. One of the challenges that our country has been facing—this is no criticism of the people involved—is that an openness to having everything in regulation means that measures can become a lawyers' picnic, with everything open to judicial review. The constant desire to put everything in statute is a huge challenge, because people almost cannot turn for the risk of being taken to court or to judicial review. That is not to say, of course, that people should not have recourse to action when something is patently unfair, but we all, as Members of Parliament, need to consider whether we will end up with lawyers and judges deciding what is right and wrong, rather than Parliament deciding on that through better laws.

Priti Patel (Witham) (Con): I congratulate my hon. Friend on securing the debate. Businesses, certainly in my constituency but also across the country, definitely welcome the Government's agenda of deregulating much more, but does she agree that small and medium-sized businesses are still deeply sceptical and concerned about the constant battles they face, including legal judgments and even with local authorities, which seem to think they know best, when it is the businesses themselves that know how to get on and make the right decisions to thrive and grow?

Dr Coffey: My hon. Friend makes an excellent point, especially about the role of local authorities. With her pedigree in a family business and through her subsequent work, she knows about the challenges that people in our constituencies face every day. I will mention one case.

To my surprise, my local district council has responded in an over-the-top way to a deemed health and safety risk. In one part of the country, problems were identified with a commercial building's liquefied petroleum gas tank, and that led to a measure, across the country, to investigate every such LPG tank. That led to a series of visits, and to changes having to be made. Tanks have not exploded and no risk has been identified, but the tanks must now have cages and there must be a clearing away from the site. There was also a two-page detailed submission by the council officer, essentially telling people that they had to provide details, written instructions, training, and a sign to explain how to call the emergency services, instead of allowing our local pub to use common sense: "If there's a fire, I'll tell you what: you just call 999." I was told: "Well, that business might not have mainly English-speaking people working in it." For God's sake, let us use our common sense, so that council officers are talking to their businesses and not issuing two-page template instructions about how to dial 999.

I appreciate that setting out laws represents an ambition—a way of ensuring that we do things in a certain manner—but I encourage the Government to try to not only take the scissors to red tape, as they are already doing, but to get out the shears and really start hacking back. This is about supporting common sense and having simpler legislation. I have every confidence in the Minister, but please, let us go for as short a haircut as we can.

1.45 pm

The Minister of State, Department for Business, Innovation and Skills (Mr Mark Prisk): I certainly need a haircut. I congratulate my hon. Friend the Member for Suffolk

Coastal (Dr Coffey) on securing this debate and on her excellent contribution. In particular, I accept the argument, "Good progress, could do better," not because I am unambitious, but because it is important to be realistic. Businesses have heard a lot of rhetoric from politicians of all parties on this issue, but the reality on the ground has often been of a lesser degree, so wanting to ensure a consistent approach has been crucial to our stance.

This issue has vexed Governments for many years—throughout my lifetime, in fact. The previous Administration had a strong rhetoric on the issue, but in the end were delivering the equivalent of six new regulations every working day, which is a daunting inheritance. As my hon. Friend rightly pointed out, the problem lies partly in that natural tension between the wider social and political agenda of any Government and how we deregulate. It is true that when a tragedy occurs—my hon. Friend alluded to this when she talked about something needing to be done—the public pressure on parliamentarians and Government can often be overwhelming, even when, looked at objectively, evidence for new laws is thin. This debate is constantly held in Government.

We as a Government have taken a different approach. Rather than find 200 or 300 regulations that we should get rid of and leave it at that, we are trying to be systematic. Our approach recognises the tension between the wider goals of any Government and the purpose of deregulation and seeks to change the very culture of Whitehall, so that regulation becomes the last resort and not the first option. To do that, we first sought to establish a system to cap the cost of new domestic regulation—the one-in, one-out system, which I will discuss in a moment. We then matched it with a systematic review of all existing regulations, through the red tape challenge, which I will update Members on in a moment.

Those policies are supplemented by an intention to sunset new regulations, to establish a regulatory moratorium on micro-enterprises—that addresses the point made by my hon. Friend the Member for Witham (Priti Patel)—and by our recently announced review of regulators and local enforcement. I will come on to that as well, because very often it is not the legislation but how it is enforced that drives the small business crazy. Alongside that domestic agenda, we have sought to reduce the burden of regulation coming from Brussels, first by ending the routine habit of gold-plating everything that comes from there and, secondly, by actively seeking an exemption from EU legislation for small businesses, and I would like to update Members on that point.

I shall look at each element, to bring the core points together and to answer some of the points raised by my hon. Friend the Member for Suffolk Coastal. Turning to new regulations, last January we introduced the one-in, one-out system to cap their cost, so Ministers have to balance the cost of new regulations by making a commensurate reduction in the existing regulatory burden. We think, as businesses have to, about the picture in the round, not just about the single measure that we have been charged with getting through Westminster. That is important, because when running a business it is not the single measure that breaks one's back but the cumulative burden of regulations.

When we began the process in January of last year, 157 regulations were in preparation, 119 of which would have imposed a cost on business, and many more have come through the system in the past 12 months. The one-in, one-out system has had the effect of rejecting many of those measures and forcing Whitehall to change its habits, and by the end of last year, we had got to the point of only 89 new measures being agreed, only 19 of which would impose any cost on business.

In the first year—I say this with caution—one-in, one-out has started to have an impact on the flow of new regulations, although it is far from perfect. I want to ensure that the message from the Better Regulation Executive and me, as the Minister with responsibility, is clear. We have made an encouraging start, but, as my hon. Friend the Member for Suffolk Coastal rightly said, we could do better. We need to strengthen and enhance that.

There have been substantial changes in some areas. One-in, one-out has helped to get Departments to think about the picture in the round. For example, the Department for Business, Innovation and Skills has launched its own employment law review. There has been a package of changes on employment tribunals, on commissioning an independent review of managing sickness absence, which is a critical issue for business, and on launching an employers' charter to rebalance the agenda.

We have agreed to create a universally portable Criminal Records Bureau check that employers can view online instantly, thus reducing the duplication in the process and making it easier to access. Naturally, it will maintain the minimum check that we want to ensure that children are safe, but it will reduce the ridiculous paperwork embroiled in the process.

Similarly, on health and safety, we intend to implement all Professor Löfstedt's recommendations, which include exempting up to 1 million self-employed people from many health and safety rules designed for multi-nationals. My hon. Friend the Member for South West Norfolk (Elizabeth Truss) made an excellent point about rules being set, possibly conveniently for large businesses, that are disproportionate for the self-employed and for smaller firms.

The red tape challenge and the question of Europe are related. The red tape challenge matches the wish of the one-in, one-out policy to examine systematically what is already on the statute book. It is not easy to be exact, but we think that the statute book incorporates approximately 21,000 measures, 11,000 or so of which have a direct bearing on business. It is a mammoth task, as Members will appreciate. We intend systematically to review and cull unnecessary, burdensome or ineffective regulations.

We have grouped regulations into themes to make it easier to see the picture in the round. The website has featured 13 themes, and the Star Chamber, which goes through regulations item by item with civil servants from all the relevant Departments, has examined five themes completely. The environmental themes, to which my hon. Friend the Member for Suffolk Coastal referred, are before us at the moment. The points that she made have been mirrored in many of our discussions. I welcome her contribution. If she wants to add to it after the debate, I shall be happy to ensure that her comments are incorporated into the process.

Of the 1,200 measures that we have considered so far, more than half will be either scrapped or substantially improved. On 15 December last year, 84 defunct regulations were removed from the statute book by the House. The

[Mr Mark Prisk]

process in law has begun in Westminster, not just in Whitehall. To reverse the situation, we must ensure that the sausage machine is put into reverse and that we regularly remove measures from the statute book. Key measures include overhauling employment tribunals, replacing 12 sets of consumer rules and laws with a single consumer Bill of Rights, implementing a wholesale deregulation of entertainment licensing and simplifying poisons licensing. Some of the most serious poisons are on the same list as fly spray. My hon. Friend rightly described the rather crude way in which significant and minor risks are lumped together, sometimes for all the wrong historical reasons. That must be addressed, and poisons are a classic example.

We are cutting the number of different sets of food labelling regulations from a rather dazzling 31 to 17, and maybe we need to do a little more. We are removing needless energy rules that currently tie up the process of short-term holiday letting, which is important in East Anglia. We are also scrapping 80 of the 107 regulations considered in the hospitality, food and drinks sector. Those are important changes.

We have incorporated the habitat and wildlife directive into our consideration of environmental law under the red tape challenge. How could we not? However, the red tape challenge cannot rewrite set European legislation. What we can do is ask ourselves, "Are we implementing this in a minimal way and a way that is reasonable for those whom we seek to regulate? Is the information that we seek from those organisations in a form and of a scale that it is reasonable to expect them to fulfil?" It is easy for a large department of 2,000 people not to realise that a three-person business finds it a heck of a challenge to fill in endless survey forms and still earn a living.

On Europe, we recognise that we need to deal with the issue fundamentally. That is why we started last year with a new set of guiding principles. The first was to end the routine gold-plating of EU laws. My hon. Friend the Member for South West Norfolk is absolutely right that large, well-established lobbying voices can argue that it would be really good for Britain to have enhanced rules—just slightly more than the minimum standard, as they might describe it, in Europe. "It would be good, Minister," they say, "to make things crystal clear by setting out all 74 possible circumstances in legislation. That would be really helpful. Clarity would be brought." That is the natural argument presented.

To prevent that, we have put in place a principle saying that the default position is that we will simply copy what is in the agreed directive into UK law unless that would clearly affect UK interests adversely. That is a fundamental shift from the default position. It does not mean that no measure will ever be gold-plated, but it does mean that the Minister in question will have to bring it before their Cabinet colleagues to justify why. That is an important deterrent.

We also need to go back further in the policy-making process in Europe. That is why, last March, the Prime Minister wrote to President Barroso and Herman Van Rompuy, the President of the European Council, calling for new burdens on business to be offset by savings elsewhere. Members can see that the principle of the cumulative burden has been introduced. Since then, we have secured a commitment from the European Commission to reverse the burden of proof when including micro-businesses in the scope of EU legislation. The EU must justify why a micro-business should be included, rather than assuming that it should. That is an important first principle. To illustrate, we have agreed with EU Ministers to exempt micro-businesses from certain EU accounting rules. We think that that will save UK small businesses approximately £150 million to £300 million in annual costs. That is an important shift, and it sets a precedent. Once it is seen that that can be done in that field, there is no reason why it cannot be explored elsewhere.

It is not just the Commission or the Council with which we must concern ourselves; often, it is also the European Parliament, where there are also strong voices similarly in favour of saying "Something must be done." That is why, working with Members of the European Parliament across the coalition, we have secured the European Parliament's agreement that it will conduct independent impact assessments on its substantive amendments. It has also set up a specific unit to consider that work. In other words, when a measure is introduced, the European Parliament can now say, "Hang on a moment. What will that cost?" The cost can be judged independently. That is an important start, although we need to go a lot further. Now that we have those matrices, the next step is to ensure that they are implemented.

In conclusion, rather than just finding 50 popular measures to get rid of and leaving it at that, we have tried to address the root problem. During the next week or so, I will set out for the House the details of what we did in 2011, so that people can see measure for measure, item for item and cost for cost exactly what has gone, what is going and what will stay. Over the past 12 months, we have sought to turn the oil tanker around, change direction and ensure that we not only cap the cost of new regulation and reduce the burden of existing regulations, but tackle the burden of EU regulations and how the UK implements them. Together, those things will make a good start, but as my hon. Friend the Member for Suffolk Coastal rightly said, we recognise that there is much more to be done.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 11 January 2012

[PHILIP DAVIES *in the Chair*]

North Korea

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Newmark.)*

9.30 am

Fiona Bruce (Congleton) (Con): It is a pleasure to speak under your chairmanship, Mr Davies, and to have secured this debate at such a momentous time, so soon after the succession of Kim Jong-un, the new leader of North Korea, following the death of his father, Kim Jong-il, last month. It was even more gratifying to hear, only yesterday, of the North Korean Government's announcement that they will grant an amnesty for prisoners to mark the birthdays of those two leaders. We look forward to hearing more news about the prisoners to be released.

Jeremy Lefroy (Stafford) (Con): On that amnesty, does my hon. Friend hope for the release of Dr Oh, who has not seen his wife and daughters for 15 years?

Fiona Bruce: I thank my hon. Friend for raising that very important case, on which a number of my colleague parliamentarians have made representations. I believe that the Minister is aware of that case, and I look forward to hearing his comments. I also hope that further representations can be made to the North Korean Government about the release of Dr Oh's family as part of the amnesty.

The amnesty announcement emphasises what many see as a fresh opportunity, at the start of a new era, to forge further relationships with the people of North Korea. That is the hope of many people in Britain who have worked often for years to develop relationships, and indeed friendships, with people in North Korea to share knowledge, understanding and support. Several of my parliamentary colleagues from the all-party group on North Korea have visited the Democratic People's Republic of Korea—the DPRK—in recent years, as have many other delegations from the UK. Interestingly, in 2010, that included the Middlesbrough Ladies football team, who apparently attracted a 20,000-strong crowd of spectators.

On a more modest level, but no less importantly, the Speaker of the House of Commons has met the Speaker of the North Korean Assembly, Choe Thae-bok. Mr Speaker was able to raise human rights concerns with his DPRK counterpart in a very constructive discussion. Most recently, the DPRK authorities extended an invitation to the Archbishop of Canterbury to visit their country soon, and I hope that he accepts.

The most recent visit of the all-party parliamentary group was in autumn 2010, after which it produced a report, "Building Bridges Not Walls: the Case for Constructive, Critical Engagement with North Korea". The report describes a welcome commitment from DPRK officials to dialogue, with particular reference to negotiating a peaceful resolution as regards the relationship between North and South Korea. "Building Bridges Not Walls" also states that the APPG had

> "the opportunity to see some encouraging developments, including the establishment of a Russian Orthodox Church in which Russian diplomats freely worship; a Protestant seminary; the work of British Council teachers; English-language teaching at Kim il-Sung University…a newly opened e-Library at Kim il-Sung University; and the establishment of the impressive Pyongyang University of Science and Technology (PUST), with a faculty of teachers from the United States, the United Kingdom and the Netherlands. These are welcome developments which we hope will…contribute towards the establishment of a more open and prosperous society for all the people of North Korea."

I believe that I speak on behalf of many people in this country who fervently hope that the accession to leadership of Kim Jong-un will further pave the way for that.

The APPG delegation also voiced concerns that cannot be batted away with diplomatic niceties about the need to discuss grave human rights issues in North Korea through a process of constructive critical engagement. That should be done in the same way that President Ronald Reagan and Margaret Thatcher established the Helsinki process with the Soviet Union. The APPG reports says:

> "It is time for peace, and 'it is time for Helsinki with a Korean face'."

In other words, as the human rights researcher David Hawk says, a process is to be encouraged that would

> "pursue peace, engagement, and reconciliation in association with the promotion and protection of human rights".

That sums up more eloquently than I ever could the process that many in Britain desire to see develop in this new era. I would appreciate the Minister's comments on how the British Government can help to facilitate dialogue to that end.

I turn to the protection of human rights, on which it has to be said that North Korea has, by any international standard, a deplorable record. I was stirred to call for this debate by a visit two months ago to the UK Parliament by a remarkable young man who is now in his late 20s, Shin Dong-hyuk. I understand that he is the only person ever to have escaped from a North Korean prison camp. On hearing Shin's story, I was moved, by compassion for the North Korean people, to highlight their dignified suffering in order to encourage support for them in their plight. May I record that I called for this debate holding no hatred of the people of North Korea? I am motivated by a deep love for the North Korean people, and by concern for their needs and their deep suffering over decades.

Mr Robert Buckland (South Swindon) (Con): Will my hon. Friend give way?

Fiona Bruce: I will certainly give way to my hon. Friend, particularly as he is chairman of the Conservative party human rights commission, of which I am privileged to be a serving member.

Mr Buckland: I congratulate my hon. Friend on securing the debate. May I reinforce her remarks about the evidence of Shin Dong-hyuk, which was not only moving but informative? He taught us that life in the prison camps was very often the only way of life that families who had been born into captivity knew. When he came to the west, he learned for the first time about

[Mr Buckland]

the Nazi holocaust, and it instantly reminded him of some of his experiences in North Korea. Is that not very powerful testimony of the depth of deprivation of human rights from which the people of North Korea are suffering?

Fiona Bruce: My hon. Friend makes an excellent point. If you will indulge me, Mr Davies, I shall shortly go into further details of Shin Dong-hyuk's testimony to us.

It was in meetings with the Conservative party human rights commission, and at an event that I chaired on behalf of the Henry Jackson Society, that Shin Dong-hyuk told his life story. It is the personal testimony of someone who was born into a North Korean prison camp, lived there for 23 years and then escaped. As my hon. Friend says, his story was authoritative, valuable and deeply moving.

Shin Dong-hyuk was born in camp 14 in 1982. Shin described the conditions he endured for the first 23 years of his life. When he was 14 years old, his mother and brother were executed in front of him because they tried to escape. He was held for seven months in solitary confinement. The torture he faced was unimaginably inhumane. With extraordinary dignity and lack of bitterness, he described to us how he was hung upside down by his legs and hands from the ceiling, and on one occasion his body was burned over a fire. His torturers pierced his groin with a steel hook; he lost consciousness.

On another occasion, Shin was assigned to work in a garment factory. Severe hard labour is a common feature of North Korea's prison camps. He accidentally dropped a sewing machine, and as a punishment the prison guards chopped off his middle finger. According to Shin, couples perceived by the authorities to be good workers are arbitrarily selected by prison guards and permitted, even forced, to get married, with a view to producing children who could, in turn, become model workers. Children born in the prison camp are, like Shin, treated as prisoners from birth. As a child in the prison school, Shin recalled the teacher, who was also a prison guard, telling the children that they were animals whose parents should have been killed. He told them that, by contrast, he, the teacher, was a human, and that they should be grateful to be alive.

Shin also recalled seeing, while at school, a seven-year-old girl in his class being severely beaten because she was discovered to have picked up a few grains of wheat on the way to school. The beating continued for two hours, and her classmates had to carry her home. She died the next day.

In 2004, at the age of 22, Shin met a fellow prisoner who had seen life outside the camp. This prisoner described the wider world to Shin. Initially, Shin did not believe him. His entire life until then had been spent behind the barbed wire of the prison camp, and he thought that this was the extent of life. Eventually, the other prisoner convinced him, and Shin's curiosity developed. Together, they decided to try to escape, and in 2005 they put their plan into action. What then followed is a story of agony and ecstasy. In a written testimony available on the internet, Shin recalls:

"I had no fear of being shot at or electrified; I knew I had to get out and nothing else mattered at that moment. I ran to the barbed wire. Suddenly, I felt a great pain as though someone was stabbing the sole of my foot when I passed through the wire. I almost fainted but, by instinct, I pushed myself forward through the fence. I looked around to find the barbed wire behind me but Park"—

his friend—

"was motionless hanging over the wire fence! At that desperate moment I could afford little thought of my poor friend and I was just overwhelmed by joy. The feeling of ecstasy to be out of the camp was beyond description. I ran down the mountain quite a way when I felt something wet on my legs. I was in fact bleeding from the wound inflicted by the barbed wire. I had no time to stop but sometime later found a locked house in the mountain. I broke into the house and found some food that I ate, then I left with a small supply of rice I found in the house. I sold the rice at the first mining village I found and bribed the border guards to let me through the North Korean border with China with the money from that rice."

Shin described to us first seeing the country of North Korea outside the prison camps, and said that, to him, it looked like paradise.

Shin's story will be published in March this year, in a book called "Escape from Camp 14". I hope that many of us will read it. I am aware that the Minister met Shin, and I look forward to hearing his reflections on their discussions. The Archbishop of Canterbury and Mr Speaker also met Shin, and expressed what an impact that encounter had on them. Shin, however, is by no means the only North Korean defector to have spoken in Parliament; earlier this year, Kim Hye-sook addressed a meeting organised by the APPG. She spent 28 years in the North Korean prison camps, and was first jailed at the age of 13. Kim was forced to work in coal mines even as a child, and witnessed public executions.

What Shin Dong-hyuk and Kim Hye-sook have in common is that they were victims of North Korea's appalling "guilt by association" policy, which punishes people for three generations for the alleged crimes of a family member. Kim's grandfather had gone to South Korea during the Korean war, and for that reason her family were regarded as hostile elements by the regime, and jailed. According to lists of detainees, which I have been sent, many others in the camps are jailed for being Christian.

It is estimated that there are approximately 200,000 prisoners in such camps, and over the years human rights reports by organisations including Amnesty International, Human Rights Watch and Christian Solidarity Worldwide have catalogued stories from survivors of the camps, who testify to the widespread use of forced labour, executions, torture, rape, sexual violence, forced abortions, infanticide and religious persecution. One, Kim Wu-yeong, told CSW:

"Christianity is public enemy number one in North Korea. If someone is a Christian in North Korea they are a political enemy and will be either executed or sent away to a political prison camp."

Further information can be found in the book "North Korea: a Case to Answer, a Call to Act", published by CSW in 2007 and available on the internet.

One of the most remarkable books I have ever read is "Nothing to Envy: Ordinary Lives in North Korea" by Barbara Demick. If hon. Members read just one book on North Korea, I would recommend this one. It is available from the Library and tells the life stories of several escapees from North Korea to South Korea—people who have not lived in prison camps, but who have none the less suffered greatly over the past several decades in

many ways, in a country where freedom of speech and movement is minimal and malnutrition is commonplace. I remember reading and being so saddened by one mother's story; I identified with her. In the 1990s, when there was a severe famine in the country, she was forced to search the countryside for grass and bark, which she would mash up and feed her family. Both her husband and her loved son died during that famine.

Despite the passing of that terrible famine, malnutrition still affects many millions of people who live in North Korea. The current humanitarian situation is dire and food aid is desperately needed. The World Food Programme and UNICEF conducted an assessment last year that shows that food needs are acute. The problem has continued over many years with such serious implications for growth that the North Korean army has, I understand, now reduced its height requirement for men from 4 feet 8 inches to 4 feet 3 inches. Our fellow men and women are living at this time, in the 21st century, when there is so much plenty in so many other countries, but they live in another part of the world with such shortages in a country that, as the book "Nothing to Envy" describes, was once a developing nation but is now going backwards. Compassion should surely move us to do all that we can to provide food aid and to support international aid agencies that are willing to help.

Mr Gregory Campbell (East Londonderry) (DUP): I congratulate the hon. Lady on securing the debate. She is moving on to one of the most important issues on this subject—humanitarian assistance. As well as making it very clear to the new regime in North Korea that the brutality and the other matters that we are all very deeply concerned about need to stop, we need to ensure that humanitarian assistance gets to the people of North Korea, as opposed to the Government and the regime, which could well be entering a new, dangerous phase.

Fiona Bruce: The hon. Gentleman makes a good point. One of the issues that I will ask the Minister to address is the monitoring of humanitarian food aid across the country. Currently, food rations are distributed by the DPRK under the North Korean Government's food distribution programme, on which millions of people are dependent, but it meets less than half the daily calorific needs of most recipients.

To underline the urgent need for food, I will relate some of the descriptions given to the APPG at a meeting here in Parliament, just a few weeks ago, by Baroness Amos, the UN Under-Secretary General for Humanitarian Affairs and Emergency Relief Co-ordinator, after she visited the country late last year. I hope to report what Baroness Amos said accurately. She stated that the background to her visit was that in 2011, for the first time in 16 years, the North Korean Government made an international appeal for assistance—welcome news. By a UN assessment, she said that 16 million people in the DPRK are now in need of food aid and that the number is increasing because of the growth rate, especially in women and children.

Baroness Amos recounted that during her visit she was at pains to stress to the North Korean Government that humanitarian aid is impartial. She visited a hospital, a market, a biscuit factory, a Government food distribution point and a co-operative farm. She reported a situation of chronic poverty and underdevelopment, with an annual gap of about a million metric tons in the amount of food needed, according to the DPRK's own targets. People live mainly off maize, cabbage and occasionally rice. There is no oil, although if people live near the sea, there is occasionally fish, but no meat. She asked some mothers when they last had an egg: no one could tell her. So there is virtually no protein for people in need of food aid. In fact, there are hardly any animals to be seen.

The nutritional deficit in children is acute, and there are major structural problems with food production, with severely low production from land and an almost total lack of mechanisation. Indeed, another visitor to North Korea, who went last month, told me this week that she had seen only three tractors over several days of travelling across the countryside.

Transport is a major problem. Baroness Amos reported seeing steam lorries—something she had never seen anywhere else in the world—where coal is burnt on the back of lorries to create steam and three out of four of them appeared to be broken down.

Food for much of the population comes from the public food distribution system and is obtained on production of ration cards. People receive about 200 grams of food a day, on average, although the DPRK's own target is about 600 grams. Needs are particularly acute outside the capital Pyongyang. People living in Pyongyang rarely travel out of it, and vice versa, so the desperate needs of those outside the capital are perhaps not as well understood as they could be.

Will the Minister advise us about the endeavours of the British Government to facilitate the provision of food aid to North Korea, either directly or through international aid agencies? Will he press for unrestricted access for humanitarian aid organisations to all parts of the country and inform us what the British Government are doing, by themselves or through the European Union or United Nations, to address the crisis? What efforts have been made to ensure monitoring of aid and what assessment have the Government made of the effectiveness of international aid and the ability of international humanitarian organisations to reach North Korean people in need?

I want to highlight two other concerns: the situation of abductees and the plight of refugees. The Minister will, I hope, be familiar with the case of Dr Oh, who has been mentioned. There are many other cases. Will the Minister tell us what the latest position is regarding Dr Oh's family and what efforts the British Government are making to press the North Korean authorities to account for the large number of foreign abductees, believed to run into several thousand, and to release them? What steps can the British Government take to work with Governments of countries whose citizens have been abducted and with international organisations such as the UN to secure their release?

Additionally, what steps can be taken to urge China to desist from the forcible repatriation of North Korean refugees and to tackle the plight of refugees who subsequently suffer at the hands of human traffickers? The number of women affected in that way runs into tens of thousands.

Andrew Selous (South West Bedfordshire) (Con): I congratulate my hon. Friend on her speech, which I am listening to with interest. Does she agree that there has

[Andrew Selous]

been quite a lot of discussion in the media about nuclear and military issues and the backward economic situation, but that human rights in Korea has had little exposure? Does she agree that that needs to be remedied urgently?

Fiona Bruce: I agree. I hope that this debate will raise awareness of those two key issues.

The former UN special rapporteur for human rights in North Korea, Mr Vitit Muntarbhorn, has called on the international community to

"mobilise the totality of the UN to promote and protect human rights in the country".

Will the Minister advise us whether the British Government would consider taking a lead to seek the establishment of a UN commission of inquiry in this respect on the subjects that my hon. Friend mentioned? In particular, what steps is the Minister taking to press the new leadership to open up access to international human rights monitors, including the UN special rapporteur for human rights, who has repeatedly been refused access? Can the Minister say whether any progress has been made in negotiation and dialogue with the DPRK authorities by the new UN special rapporteur to the DPRK?

With reference to the prison camps, such as the one Shin Dong-hyuk described, I understand that the North Korean authorities regularly say that these are not prisons as described. Will the Minister, through a process of Government engagement between the two countries, endeavour to arrange access to some of the camps for British parliamentarians, such as those from the APPG, who have already sensitively endeavoured over several years to build constructive relationships with North Korean people? In this regard, I pay tribute to the chairman and founder of the APPG for North Korea, Professor Lord Alton of Liverpool and his colleague in the House of Lords, Baroness Cox.

I welcome the British Government's improved funding support, despite their austerity programme, for the British Council's English teaching work within North Korea. It is particularly pleasing to note that English is now being taught as the second language in the DPRK. I should particularly like to offer my congratulations on the recent acceptance of the first two scholars to study at Cambridge university, which is to the credit of our Government, the Foreign Office and those scholars.

I welcome the Minister's thoughts on what can be done to encourage the flow of information from the outside world into North Korea, perhaps through support for radio broadcasting.

I understand that there are some 400 North Korean refugees here in the United Kingdom. The book, "Nothing to Envy", which I have mentioned more than once already, describes how difficult modern life, with all its choices and complexities, is for North Korean refugees. What support is available for them in the UK to help them prepare for a better future for themselves and their country? Is there dialogue between the Government and those refugees to aid our country's understanding of North Korea and in turn help build relationships with that country?

I thank the Minister for meeting Shin Dong-hyuk personally. I believe that that is an indication of his sincere concern about these issues. Will he also consider meeting Dr James Kim, a remarkable man who has founded Pyongyang university of science and technology—PUST—within the past two years, when he visits Parliament on 15 February? Perhaps after hearing of the wonderful story of hope that the establishment of that university provides, the Minister may consider making representations to the Department for International Development to give support to PUST, if not on a wider basis for North Korea.

It is encouraging that the UK Government have developed, over the past 10 years, diplomatic relations with the DPRK. I pay a particular tribute to our diplomatic staff in North Korea, especially our new ambassador, Karen Wolstenholme, who I am sure will follow in an equally exemplary manner her immediate predecessor in the British embassy in Pyongyang, Mr Peter Hughes, whose ongoing concern for the people of North Korea has been evident to me whenever I have had the pleasure of meeting him.

What a positive step it would be if the United States established diplomatic relations with the DPRK and thereby effectively formally ended the Korean war. Can the Minister advise us what steps, if any, the British Government may be taking to encourage the Americans in this respect?

Shin Dong-hyuk told me that the North Korean people cannot change their situation by themselves. They need help from the international community. I hope that the Minister gives us an indication of what we can all do to give more hope to the people of North Korea.

9.58 am

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Congleton (Fiona Bruce) on securing this debate and on bringing this matter to Westminster Hall for consideration. I also commend her on her passion and compassion on behalf of the people of North Korea and for making some salient, pertinent points about conditions in North Korea.

I wish to focus on human rights, specifically how people with Christian beliefs are affected. Perhaps the only subject at school that I excelled at was history. I was interested in the history of the second world war and the Korean war. In my constituency there are still some Korean war veterans, who tell stories about the critical battles that they fought and how they came through. No one could fail to be horrified by the stories they told. Today, when we look at North Korea, we see things getting progressively worse, and I want to focus on that.

Yesterday, just before I left the hotel where I was staying, on one of the TV news channels there was a story about the new leader of North Korea, Kim Jong-un. There was this guy on a horse galloping around, looking well fed—there is certainly no shortage of food in his house—surrounded by immense numbers of people, who were supportive, all smiles and cheering him on. They were all wearing army uniform which tells us a lot. He appeared to be a confidante of many people, and he was looked on as a leader for change, perhaps to change things for the better. That, however, was a persona for

TV, a story that the North Koreans wanted to put forward. The reality in North Korea is very different for people who do not necessarily accept his leadership or the authoritarian regime that he supports.

Any number of charities working to end the persecution of Christians highlight what happens in North Korea as some of the most horrific acts of persecution anywhere in the world. Open Doors and Release International have a chart of countries in the world, giving their level of persecution. In No. 1 position, at the top of the chart—not the championship or premier league winners, but at the top of the persecution league—is North Korea, in the persecution of its people and how it affects them.

Dr William McCrea (South Antrim) (DUP): I join my hon. Friend in congratulating the hon. Member for Congleton (Fiona Bruce) not only on securing the debate but on her choice of subject. My hon. Friend has raised his concerns about rights and so on, but on 19 December, the UN passed a resolution by majority, with 51 abstentions, that expressed the Assembly's

"very serious concern at the persistence of continuing reports of systematic, widespread and grave violations of civil, political, economic, social and cultural rights".

Is my hon. Friend concerned that there is no mention of religious rights?

Jim Shannon: I thank my hon. Friend for bringing that matter to my attention, and to the attention of everyone in the Chamber. I am concerned about that, and I hope to use this opportunity, as others in the House will do today, to highlight the issues on behalf of Christians, who need to know that their human rights and individual needs are being represented by people on the other side of the border who have not forgotten about them.

Release International has stated that North Korea has one of the most repressive regimes in the world, and the extent of that repression is unknown because the country is fiercely independent, politically isolated and closed to all countries except China and Russia. The hon. Member for Congleton suggested what our Government might be able to do on behalf of people in North Korea whose human rights have been violated, and perhaps we need to ask Russia and China to be the main players in any process.

Defectors describe a society in which human rights do not exist and freedom of association, worship, movement and even thought are denied. Such claims are credible in the light of the fact that North Korea can make use of the world's fifth largest army, of 1.2 million soldiers and 8.3 million reservists—9.5 million people. The hon. Lady referred to the height requirement being reduced, but one thing we always see when the soldiers are marching is that they are fit, healthy and determined. North Korea has a state monopoly of the media—TV, radio and the press—that indoctrinate the population with party propaganda, and the country also has 14 concentration camps, some of which hold as many as 50,000 prisoners. One has to feel compassion for people in those prison camps who might feel that they are forgotten, so it is important to ensure that they are not forgotten.

North Korea's founder, Kim Il-sung, referred to as the so-called great leader, is comparable to Joseph Stalin or Mao Tse-tung as an ideologue who controlled the masses through propaganda, revolutionary zeal, ruthless elimination of opposition and the sacrifice of large numbers of the population to starvation due to economic mismanagement. He used a philosophy known as juche—self-reliance and permanent revolutionary struggle—to achieve a national unity that has produced an isolated nation that many call the hermit kingdom. His son, Kim Jong-il, the so-called dear leader, continued his father's policies but, if anything, more destructively. After decades of economic mismanagement and resource misallocation, North Korea has relied heavily on international aid to feed its population since the mid-1990s. Chronic food shortages and widespread malnutrition are rampant. My hon. Friend the Member for East Londonderry (Mr Campbell), in his intervention, spoke about food aid and how it could best be used. North Korea's history of regional military provocations, the proliferation of military-related items, the development of long-range missiles, programmes for weapons of mass destruction and massive conventional armed forces, is of major concern to the international community. We in this country cannot ignore the effects of that.

As juche becomes increasingly weak and deluded, North Korea and its regime appear ever more vulnerable. We are now in a state of limbo after the death of Kim Jong-il as to the intentions of his son, Kim Jong-un, who was educated in the west but, according to *The Wall Street Journal*, is depicted by US intelligence as

"a volatile youth with a sadistic streak who may be even more unpredictable than his late father".

The last and most extreme of the world's dictatorships seems set to run as before. The dictatorship is certainly not over with the demise of his father. Citizens are obliged by law to display portraits of the late Kim Il-sung and Kim Jong-il in their homes. It is considered highly subversive to have a religious faith and, as stated by the hon. Member for Congleton, anyone refusing to accept the Korean leader as the supreme authority is likely to be punished with imprisonment, death or simply disappearing.

The precise number of Christians in North Korea is unknown. Before the communists came to power, numbers were higher than today but, during the Korean war of 1950 to 1953, many fled to South Korea or were martyred. Those said to remain in North Korea are forced to hide their faith or face terrible consequences. The debate information pack included many press stories of those who tried to escape and who were shot and killed as a result. People have reportedly been executed merely for owning a Bible. Every one of us has a Bible in the house, probably more than one, and we have that freedom of expression. In some countries people do not, and North Korea is one of those countries. Many Christians have been sent to concentration camps as political prisoners for their beliefs—for having a belief in God—and have been subjected to brutal treatment in appalling conditions: torture, abuse, execution or simply being worked to death. There are an estimated 50,000 people in those concentration camps.

The regime still maintains the facade of religious freedom, and in 1998 opened three churches in Pyongyang. However, they are widely considered to be showcases for the benefit of foreigners and those who visit the country, demonstrating a façade of religious opportunity, and sermons contain political material supporting the

[Jim Shannon]

regime. Christianity as we know it, and as is expressed in the Churches of the United Kingdom and elsewhere in the world, is not what happens in North Korea.

The Harsh regime and grinding poverty have forced thousands of North Koreans to try to escape to China. It is estimated that as many as 350,000 North Koreans live in China as illegal immigrants, with many more in South Korea and other countries. The Chinese authorities stubbornly uphold their policy of repatriating defectors found in their territory, even though repatriated North Koreans face notoriously harsh treatment. The North Korean authorities allegedly pay Chinese informants to denounce defectors, so defectors in China are forced into hiding and, often, into the clutches of ruthless individuals who trap them into forced labour or the sex industry. Some time ago, I watched a TV programme—again, a news item—that showed how people escaping North Korea left one set of horrific circumstances for another, and were exploited by those who take advantage of the vulnerability of such people. Pressure needs to be applied, so can the Minister, if possible, outline clearly what discussions have taken place with China and how we intend to help more? Thankfully, some of those who escape have turned to Christ after meeting missionaries who share the gospel with them. We as a nation must be ever mindful of those who are less well off and those who need help and support. The House and MPs who represent areas such as mine, and many others, have a duty to ensure that we do our best for them. We should apply any pressure we can on China and Russia to play their part in ensuring that change is brought about in North Korea.

I will continue, as will many other hon. Members, to pray daily for people in North Korea. I hope that something practical can be done, and it should be done if there is a possibility of success. I commend the hon. Lady on introducing the debate, and I look forward to the support of the House for the issue.

10.10 am

Martin Horwood (Cheltenham) (LD): It is a pleasure to serve under your chairmanship, Mr Davies, in a debate on a subject other than Europe. I pay tribute to the hon. Member for Congleton (Fiona Bruce) for securing the debate, and for the passionate and compassionate way in which she introduced it. Her speech was one of the most moving that I have heard this Parliament, and some of the points were very well made. The story she told of Shin Dong-hyuk was inspiring and horrifying in almost equal measure.

Many international comparisons have been made of the regime in North Korea. The hon. Member for South Swindon (Mr Buckland) said that it stood comparison with the Nazis, and the re-education and prison camps do indeed bear comparison with those under Hitler. In North Korea, there are disappearances, torture and violent repression, carried out with as much ruthless efficiency as there was under any of the old Latin American military dictatorships. We see there the "duce" ideology, as totalitarian and intolerant as that of the Khmer Rouge. The cult of personality is as extreme as that of Ceausescu or Bokassa. The reckless mismanagement of the food supply has caused a self-induced famine as devastating as that experienced by China during Mao's terrible "great leap forward". To those traditional state crimes can be added terrorist acts that bear comparison with those of al-Qaeda, abductions like those by Somali pirates, and a nuclear programme that is as threatening as anything in Iran.

That is an extraordinary list, and in many ways it probably adds up to the most completely ruthless dictatorship in modern history. That poses a bit of a problem for those trying to focus opposition, or to support those campaigning for any sort of freedom in North Korea. In Burma, attention can be focused on a figure such as Aung San Suu Kyi; in eastern Europe, there were figures such as Walesa and Václav Havel, and there was Nelson Mandela in South Africa, but their equivalents in North Korea were annihilated long ago, or imprisoned and forgotten. That poses a problem.

Mr Buckland: To reinforce the point that the hon. Gentleman is making so eloquently, the last special rapporteur of the UN Human Rights Council classified human rights abuses in North Korea as sui generis—that is, as a completely separate category from any other abuses in the world. The hon. Gentleman has encapsulated why the rapporteur's findings were absolutely right.

Martin Horwood: The hon. Gentleman's point is absolutely correct.

It is important to focus on the people who have managed, extraordinarily, to escape from the regime, such as Mr Shin. I am pleased that the Minister has met Mr Shin personally, and that the Government are taking seriously the views, opinions, testimony and witness of those who manage to escape from the regime.

The hon. Member for Congleton asked us to focus on humanitarian and human rights issues, and rightly drew attention to Baroness Amos's report of her visit last year, which highlighted that, on the humanitarian front, there is chronic poverty, underdevelopment, poor infrastructure, and indicators of widespread malnutrition and stunted growth in the population. Daily diets are deficient even in basic protein and essential fats. Previous UN assessments of the food supply suggested that it was very poor, with poor management of land, and as the hon. Member for Congleton suggested, there is poor access to basic mechanical farm equipment. That seems extraordinary in the 21st century. Add to that a near total breakdown in the management of public health, and vulnerability to human trafficking and perhaps even the exploitation of children, in which agents of the state may be complicit, and the picture is truly apocalyptic.

The picture is little better on the human rights front. We have heard about the widespread use of torture and possibly rape, and certainly about the regime's use of extrajudicial beatings, imprisonment and execution in the many prisons camps. There is persecution not just of what the regime deems to be criminal acts, but of wrong thinking in a souped-up version of the Maoist red guards' worst excesses. There is absolutely no freedom of belief, of the press, of thought or of political expression.

That poses the problem for democratic Governments of how to deal with such regimes. How can influence be exercised over a regime that is so totally beyond the pale that it is, as the hon. Member for South Swindon suggested, almost in a class of its own? There are some avenues. There is the traditional diplomatic pressure that the Government exercise through diplomatic contact

with the North Korean embassy here in this country, our embassy in North Korea, and the embassies of our European Union partners. Clearly, we should continue to use those channels. We should also continue the pressure to encourage North Korea to allow access for the UN special rapporteur on human rights. We should certainly support a commission of inquiry, but there is clearly a problem in the UN Security Council, and we may not be able to obtain widespread support, which seems incredible. If China and Russia are not minded to support that, it is a damning indictment of their foreign policy. I should be grateful to hear the Minister's latest report of any discussions that he may have had on that front with Chinese and Russian colleagues, or the UK's representation at the UN.

There is also an issue with refugees. Some 300,000 refugees have allegedly made their way from North Korea to China. Apart from the logistical and social problems that that might cause, if they are caught, they are apparently routinely repatriated to North Korea, where they face almost certain torture and execution. A few refugees seem to reach countries such as Vietnam, Laos and Mongolia. What discussions has the Minister had with China and other regional Governments, and organisations such as the Association of Southeast Asian Nations, on the treatment of North Korean refugees and the protection of their human rights and their right to asylum, which are extraordinarily important in the current situation?

Beyond that, there is the exercise of what is traditionally called soft power. It is difficult to make humanitarian aid relationships conditional, and that seems a brutal and inhumane approach, but some conditionality or attempt to ensure that food aid gets to the right people and is not being used as a political tool is important. I should be interested to hear the Minister's thoughts about his Department's latest approach to that policy, and the approach taken by the Department for International Development.

The hon. Member for Congleton referred to the British Council and the language-teaching programme, which is a positive step. I should be interested to hear whether the Minister has any news about penetration of the BBC World Service or other language services into North Korea. I know that it is standard practice in North Korea to solder the tuning dial of radios, so that they can be tuned only to North Korean stations. The extraordinary levels to which the regime goes to try to repress its people are astonishing, although it does not require a mechanical or electrical genius to undo solder, so perhaps messages are getting through.

There are limits to soft power when a regime is totally unresponsive to that approach. We must try to find a means of exerting pressure. We could hope that a new regime and a new leader might lead to some change, but I think that may be as futile as the hope that Saif al-Islam Gaddafi or Bashar al-Assad would be a new influence on their countries. The likelihood is that, in reality, Kim Jong-un is much less influential in the exercise of power than even his father, and certainly his grandfather.

The key relationship in the region, and the only one that could make a material difference, is that between North Korea and China. China's tacit tolerance of the appalling regime in North Korea is allowing it to survive, and it is crucial to emphasise to the Chinese that if they are to be players in international relations and participate responsibly as part of the international community, they cannot be seen to be complicit in the survival of such an appalling regime.

The kind of instability that I am sure the Chinese fear more than anything is a possibility in North Korea. As we have seen in north Africa and all over the world, repression leads in the end to a kind of instability. In an utterly dysfunctional society, a repressive regime will fall in one way or another, and it is surely better for that to happen through a process of international action and intervention than in a chaotic way that may cause instability on China's doorstep. I would be interested to hear what the Minister has to say about any discussions he has had with China. As the hon. Member for Congleton has said, there is a moral case for not being tempted to forget and dismiss the situation in North Korea. Inaction is simply unacceptable in the face of such an appalling situation, and we should be grateful to the hon. Lady for pointing that out.

Several hon. Members *rose—*

Philip Davies (in the Chair): Order. Two more speakers are seeking to catch my eye, and I intend to call the shadow Minister no later than 10.40 am.

10.21 am

David Simpson (Upper Bann) (DUP): It is a pleasure to serve under your chairmanship, Mr Davies, and I assure you that I will be brief.

I congratulate the hon. Member for Congleton (Fiona Bruce) on obtaining this timely debate, and on the time that she has spent in this House looking at human rights issues. She has also looked, from a faith position, at the persecution of Christians across the globe, and I pay tribute to the outstanding work that she has done since becoming a Member of the House.

During my time in the House, many debates on human rights have been held in this Chamber, including on Somalia and on Burma, where some changes are taking place. North Korea probably has one of the worst regimes that the world has seen in recent years. According to recent press releases and the *Financial Express* of Bangladesh, North Korea has told the international community not to "expect any change". It would seem, therefore, that we are in for more of the same persecutions and human rights violations that we have seen from that bitter regime in the past.

My hon. Friend the Member for Strangford (Jim Shannon) mentioned the persecution of those who hold a particular faith. In this great United Kingdom, we claim the privilege of civil and religious liberty for all. We may not practise that liberty too well, but we certainly claim it and state it as our position. Many years ago, people in the United Kingdom were burned at the stake because of their faith and what they believed. Thank God that day has passed, and people have the freedom to practise their faith in whatever way they desire. That is not the case, however, under North Korea's brutal regime. As the hon. Member for Congleton said, it has been estimated that up to 200,000 people have been consigned to the prison camp system because of their faith, and that of those people, between one quarter and one third have been sentenced for religious

[David Simpson]

reasons. The lower end of that estimation places the total number somewhere between 40,000 and 70,000 people, the majority of whom profess Christianity.

Religious people who engage in evangelism, or who have been in contact with foreigners or missionaries, have been arrested and subjected to harsh penalties, including imprisonment or execution. There are frequent reports of the execution of Christians in North Korea, and the United States Commission on International Religious Freedom has stated:

"Severe religious freedom abuses occur regularly, including: discrimination and harassment of both authorized and unauthorized religious activity; the arrest, torture, and possible execution of those conducting clandestine religious activity."

I urge the Minister to do whatever possible to help and to alleviate the difficulties experienced by those who are persecuted because of their faith under that brutal regime.

There are also issues of malnutrition, and the imprisonment of people who do not bow down and worship their leader. I believe, however, that there is a deep-rooted problem in that society, and we hope to see some changes in the not-too-distant future. I urge the Government to do what they can, and to use their influence through international development or aid. The hon. Member for Congleton mentioned that a request for aid had been made by North Korea, and that is perhaps an area in which pressure can be used to alleviate the difficulties experienced by people in that country.

10.27 am

Mr Gary Streeter (South West Devon) (Con): It is a pleasure to serve under your chairmanship, Mr Davies. I pay tribute to my hon. Friend the Member for Congleton (Fiona Bruce) for securing this debate, and for the tone of her speech. She achieved the right balance between raising legitimate concerns about human rights, and reflecting a positive way forward and underlining the importance of engagement, and I warmly congratulate her.

I would like to share a few personal reflections. Seven or eight years ago, I visited North Korea with Michael Bates, who is now in the upper House—actually, he is not there, as he is walking from Mount Olympus to London on a 3,500-mile journey to raise awareness of the Olympic truce, which again is about peace and human rights. We went to North Korea of our own volition, and it was an extraordinary experience.

What hon. Members have said in this debate is correct: I have been to many countries in the world, but nowhere is quite like North Korea. One of my most striking memories, which I will carry with me to my grave, is of being woken at 5 o'clock in the morning in the state-owned hotel in which we were staying. We were woken by military music blaring not from a radio, but from loudspeakers on street corners. It continued for about 10 minutes, after which the odd light would turn on in apartment blocks all over Pyongyang. The music started again at 6 o'clock, and as we looked out of the window, we saw people filing down in silence from their apartment blocks, walking three abreast along wide pavements. There was not a car to be seen and the roads were empty; people were walking silently to work.

One point that has perhaps not been touched on in the debate is the regimented nature of the North Korean regime, which is extraordinary. One morning, we got up and walked along the pavement with other people. It was eerie; thousands and thousands of people were walking to work in complete silence. In North Korea, people tend to work from 6 o'clock in the morning until 6 o'clock at night, and then go home and do two hours of self-improvement. How about that as a policy for the United Kingdom?

We were in North Korea shortly after its latest famine, and we saw extraordinary poverty. One day, we were taken out of Pyongyang, even though not many people are allowed to leave the capital. We were taken to see something that the North Koreans were quite proud of: a new latrine block—not a toilet block, but a latrine block—in a hospital in a city about an hour and a half north-west of Pyongyang. They showed us this extraordinary thing that we would have condemned in the 1950s. That is just an example of how far behind they are.

Sometimes people say to us that politics is not important. One of the abiding reflections that I have is that down in the South are people who are broadly free and broadly prosperous, but in the North—it is not a small country; it has a population of 25 million people—the people are very much not free and not prosperous. Many of them are in poverty, and all of them are in oppression, apart from the ruling elite. The only difference between the two—these are the same people—is the political system and structure, so we must never let anyone tell us that politics is not important. It is crucial in underpinning freedoms.

My visit to North Korea was an extraordinary experience, and one that I thought hon. Members might like to hear about. I believe that it is right for the Government to engage with North Korea, despite all the problems that we have heard about today. We are all scratching our heads as to what we can do about that, and perhaps there is a glimmer of hope with a new leader coming in. As the hon. Member for Cheltenham (Martin Horwood) suggested, we do not know the extent to which people are secretly listening to certain radio stations or hearing news from the outside world. Of course, there is no internet access for the ordinary masses. However, we do not know the extent to which there is awareness of how life is different outside North Korea, and how there might well be an opportunity in the future. My instinct is that if there is change in North Korea, it will come quickly and suddenly and from who knows where, so I think that it is right for the British Government to engage positively with North Korea in the meantime.

One thing that I did while in Pyongyang was vote in the Conservative party leadership election taking place at that time. My hon. Friend the Member for South West Bedfordshire (Andrew Selous), who is sitting beside me, had my proxy vote, which I exercised by telephone from a hotel in Pyongyang. I am probably the only person ever to have voted in Pyongyang. Whether I made the right decision, history will decide.

I just wanted to share those reflections. North Korea is an extraordinary country, and I believe that we are right to engage with it positively. I pay tribute to Christian Solidarity Worldwide, which has been mentioned several times, for the excellent work that it does in banging the drum and raising awareness of human rights abuses in

North Korea, but also in other countries. Whatever attitude our Government take in terms of positive engagement, it is very important that British non-governmental organisations are raising awareness, fighting for the causes and championing human rights around the world. They do a fantastic job, and long may that continue.

As for the attitude of the North Koreans to outside pressure, one thing that we have to realise is that they have lived for 50 years with hostility from outside. All over Pyongyang are billboards, and almost all of them show North Korean soldiers squeezing the life out of an American soldier or bombing the Japanese. They hate the Japanese and they hate the Americans, for all sorts of historical reasons, and there are billboards proclaiming their hatred of those countries, so in one sense external pressure simply bolsters the regime. It is already saying to its own people, "Look, it's us against the world."

As has been mentioned, China is the key relationship, in the way that I guess the relationship with the USA is key for Israel. I suspect that it suits China quite well to have this slightly odd regime on its doorstep, almost like a buffer zone. Is it not extraordinary that there is a country on earth that can make the Chinese human rights record look quite good? It happens to be right alongside it, in North Korea.

Andrew Selous: Does my hon. Friend agree that when our Government quite properly raise human rights issues with the Chinese authorities in relation to what is going on China, they should at the same time mention the situation in North Korea, given that it is a country of 25 million people where there is such widespread abuse of human rights?

Mr Streeter: Yes, I do agree, and I am sure that the Minister will touch on that in his response.

As we are paying tribute to the Government's position, which I think is absolutely right, and to non-governmental organisations for raising awareness, I think that we ought not to let the opportunity pass to pay tribute to Lord Alton, who has been mentioned a couple of times. He has done an extraordinary job as chairman of the all-party group on North Korea. I am privileged to serve as one of the vice-chairs. He has done an extraordinary job in getting the balance right between entertaining people from North Korea when they come over here and organising all kinds of meeting and so on, and being robust and firm about human rights abuses. I wish him every success in the future.

I have the privilege of chairing the Westminster Foundation for Democracy, and I have had a couple of meetings with members of the Korean Workers' party when they have come over here in recent delegations. It is extraordinary to be talking about that kind of democracy with people from a one-party state, where people really have no understanding of it at all. However, it is important that those discussions continue, because all the time we are sharing our values and our pitfalls and mistakes—we always talk about our own mistakes along this journey towards democracy. Although that is a very long-term venture, it is important.

One way to get into the heart of the regime is to support education initiatives in Pyongyang and elsewhere in North Korea. The English language is increasingly valued by the North Koreans. It is now taught, I think, in all their schools as the second language. They have universities that are broadly staffed by English lecturers. They have an interest in English literature and in English culture. If I may say so to the Minister, he should work with the British Council and with his own Department to continue to build links, bridges and relationships. That is about looking forward. It may seem fruitless, but I believe that in the long term it will pay off, and I very much encourage him to continue down that road.

10.35 am

Kerry McCarthy (Bristol East) (Lab): It is a pleasure to speak under your chairmanship, Mr Davies; welcome to your position. I congratulate the hon. Member for Congleton (Fiona Bruce) on securing the debate. As has been said—by the hon. Member for Cheltenham (Martin Horwood), I think—her concern about the plight of the people in North Korea shone through in everything that she said. It is important that we discuss this issue in terms not just of criticising the regime in North Korea, but of the compassion that I am sure we all feel for the people of North Korea.

I, too, had the pleasure of meeting Shin Dong-hyuk when he was in Parliament recently. The hon. Lady spoke in detail about the account that he gave. No one who met him could fail to have been moved by his personal story. The thing that stuck with me particularly was his account of the young girl who had been caught with some grains of rice in her pocket and was eventually beaten to death—she died because of her injuries. What struck me was the fact that he said, "Actually, we regarded this as commonplace. We weren't horrified by it, because it was so common for that sort of horrific scenario to be enacted in the prison camps." He had no awareness of life outside his camp, or of the fact that there was an alternative, until he escaped. What he had to say made a very powerful impression on me. Christian Solidarity Worldwide is to be congratulated on its efforts to ensure that we get to hear about such examples.

Obviously, the situation in North Korea at the moment, with the death of Kim Jong-il and Kim Jong-un's succession, has created a great deal of uncertainty among the international community. Whether we can treat it as an opportunity to try to put the international spotlight on North Korea and highlight some of the opportunities for change is a moot point. Certainly, we would all be united in hoping that it does present an opportunity, but, as has been said, there is not just one issue to tackle in North Korea. The hon. Member for Cheltenham talked about this. There are humanitarian concerns and concerns about the repression of free speech and lack of democracy. There are the kidnappings and the prison camps. There are so many issues to be tackled, but we need to do all that we can to try to keep the focus on North Korea and to keep diplomatic efforts to engage with North Korea at the forefront of what is being done.

As the 2010 Foreign and Commonwealth Office report on human rights and democracy highlighted,

> "Human rights, as understood by the rest of the world, do not exist in the DPRK."

The former UN special rapporteur on human rights in North Korea described the situation as "horrific and harrowing". As has been said, the outside world lacks reliable information about life in North Korea. The fact

[Kerry McCarthy]

that we have to rely on the accounts of the few people who have managed to defect—it can take them many years to reach a safe place where they feel able to talk about their situation—shows how dire the situation is.

It is difficult to imagine the sheer scale of the restrictions on freedom of speech, freedom of information, freedom of movement and freedom of association. The hon. Member for South West Devon (Mr Streeter) gave a fascinating account of his visit to North Korea and of just how different it is. I have visited many countries where there are real concerns about human rights, but the scale of what he was talking about was very different from that in any of the countries that the rest of us have visited.

As has been said, external media are prohibited, and there are indications that the restrictions are being enforced even more stringently. There is no freedom of religion, and several Members have talked particularly about the persecution of Christians. The rights of women are enshrined in the constitution, but sexual harassment and violence are reportedly widespread, while victims of human trafficking are treated as criminals. There are also reports of forced abortions and infanticide, and child labour is not uncommon.

The punishments associated with even minor transgressions against the restrictions are harsh and arbitrary. Although the numbers are not known, for the reasons that we have discussed, the death penalty, including public executions, and torture and other forms of inhumane treatment are used routinely.

Even more worryingly, Amnesty International reports that, in preparation for Kim Jong-un's succession, officials deemed a threat to him were executed. Although it is difficult to secure completely reliable figures, Christian Solidarity Worldwide notes there was a 58% increase in reports of human rights violations between 2010 and 2011. The populations of the prison and political labour camps also seem to have increased, with estimates that 200,000 people are now held in them.

The hon. Member for Congleton did not touch only on the human rights abuse, and it is important to note that the debate is also about the humanitarian situation, which the UN special rapporteur has described as absolutely dire. As we have heard, there are severe food shortages, which, along with the lack of proper health care, are a serious danger for the people of North Korea. There is minimal medical care outside Pyongyang, and any facilities are of a poor standard. The food shortages are acute and chronic, and inefficiencies in the public distribution system are exacerbated by floods and harsh winters. It is estimated that 1 million people have died since the mid-1990s because of the lack of food, and millions are suffering from malnutrition.

Of course, the situation is exacerbated by the fact that the regime is not prepared to admit just how bad things are or to engage with the international community to the extent that it needs to on the issue of aid. China and South Korea have provided the most humanitarian aid, but with the deterioration of the bilateral relationship with South Korea since 2008, its contribution has fallen drastically. I was in China just before Christmas and took the opportunity to talk to the Chinese authorities about what more they could do to provide support for the people of North Korea.

I very much support the World Food Programme's emergency operation, which was launched in April, but there are concerns. The UN has reported that it has received only 31% of the resources needed, and the assessment is that there is still a serious crisis.

Countries face a difficult dilemma when providing humanitarian aid to North Korea, not least because of the difficulty of ensuring that aid reaches the people who need it most. We also get into the whole debate about whether aid should be used as leverage on the human rights issue. However, the UN has warned that aid to North Korea should not be politicised when the humanitarian situation is so dire, and I subscribe to that view.

Can the Minister tell us whether longer-term plans will be in place once the World Food Programme operation ends in March? Do the Government agree with the UN's statement that aid to North Korea should not be politicised? In that context, what can we do to support the humanitarian programme in North Korea?

Will the Minister assure us that the Government are making every effort to work with the EU and the UN to send a clear message to North Korea and to ensure that the transition to the new leadership presents an opportunity rather than a danger? What discussions have UK representatives had with international partners—particularly North Korea's neighbours—and representatives of the North Korean regime since Kim Jong-il's death? Does the Minister share my concern that efforts to cement the new leadership in place could lead to a deterioration in the human rights situation? If the new leader is not secure in his position, that could trigger a greater crackdown on anyone seen as a potential opponent of the regime.

Following Kim Jong-il's death, the Foreign Secretary indicated that the UK's priority was the resumption of the six-party talks. Any engagement between North Korea and the international community would be welcome, but will the Foreign Office seek to broaden its efforts beyond denuclearisation to include a human rights agenda?

One significant obstacle to progress is North Korea's refusal to admit external observers, so we support continuing efforts to press for a visit by the UN special rapporteur. Can the Minister advise us on any recent diplomatic discussions on the issue?

Finally, last September, the International Coalition to Stop Crimes against Humanity in North Korea, led by Amnesty International, Human Rights Watch and the International Federation for Human Rights, was launched to campaign for the establishment of a UN commission—something that the European Parliament has called for previously. The Government have indicated that they are not against a commission, but there are doubts that it would be possible to secure UN Security Council support. Will the Minister advise us whether there are any active negotiations on the issue and whether he takes a positive view of whether a commission can be achieved?

10.46 am

The Minister of State, Foreign and Commonwealth Office (Mr Jeremy Browne): Thank you, Mr Davies, for giving me the opportunity to conclude the debate. It is a pleasure to serve under your chairmanship for the first time.

Let me start—not just because it is the convention to do so, but because I want to—by congratulating my hon. Friend the Member for Congleton (Fiona Bruce) on raising this subject and giving us an opportunity to debate it at some length. As well as having responsibility in the Foreign Office for Asia, I have a thematic responsibility for human rights policy, and, over my year and a half as a Minister, I have observed that many serious human rights causes around the world, although they certainly deserve our attention, receive far more attention in the House and among campaigning organisations in Britain than North Korea does. In my view, North Korea receives insufficient attention, considering the gravity of the situation in that country. In a small way, we have, I hope, started to address that deficit this morning. I therefore pay tribute to my hon. Friend not only for raising this subject, but for doing so with such evident decency, humanity and passion.

I also pay tribute to the hon. Member for Upper Bann (David Simpson) and the hon. Member for Strangford (Jim Shannon), to whom I should apologise, because I called him the Member for Shannon in a previous debate—I think I got it right this time. My hon. Friend the Member for Cheltenham (Martin Horwood) got to the nub of many of the political questions underlying the human rights problems in North Korea. He was quite right to focus some attention on China's role, and I will seek to come to that.

We heard a fascinating speech from my hon. Friend the Member for South West Devon (Mr Streeter), who was quite right to draw a stark contrast between North Korea and South Korea to illustrate the importance of politics. An amazing transformation has taken place in South Korea, which has, in my lifetime, been poorer than North Korea, but which now has the 12th largest economy in the world. It is a member of the G20; it has big companies such as Samsung, LG and Kia; it has the UN Secretary-General; and it will host the winter Olympics in a few years. You name it—South Korea has an amazing success story to tell, but it shares the peninsula with people who, although ethnically and linguistically the same, are in radically and shockingly different circumstances.

I, of course, pay tribute to the hon. Member for Bristol East (Kerry McCarthy). This certainly is a cross-party issue, and I am sure that everyone wishes to treat it in that way. She was right to point to the most recent Foreign and Commonwealth Office human rights and democracy report, which lists North Korea as a "country of concern". She gave the report's crucial quote, which is that

> "human rights, as understood by the rest of the world, do not exist in"

North Korea. The Foreign Secretary has made it clear that human rights

> "are part of our national DNA and will be woven into the decision making processes of our foreign policy".

As such, we treat human rights and the humanitarian plight in North Korea with the utmost seriousness.

North Korea is a secretive society with limited access to outsiders. Verification of the real situation in the country is difficult, but, as my hon. Friend the Member for Congleton and others rightly noted, civil liberties are severely curtailed there. Fundamental freedoms that we take for granted, such as freedom of expression, freedom of assembly and freedom of movement within a country, do not exist. Even freedom of religion, which is enshrined in the North Korean constitution, is restricted, with the state prosecuting all illegally held religious services and missionary activities. The Government also impose pervasive everyday restrictions on their population, such as the ban on listening to or watching foreign radio and TV programmes and the requirement to display portraits of Kim Il-sung and Kim Jong-il in all homes.

The judiciary is not independent and the legal system is not transparent, so citizens have no protection from the state. Ordinary citizens are not able to get advice from defence lawyers and many endure ad hoc, onsite public trials. There are also continued reports of public executions, with some indication that their frequency is increasing. Also deeply worrying is the current estimate that there are about 150,000 to 200,000 political prisoners serving terms in prison camps. Accounts continue to emerge from defectors of torture and beatings in correctional centres, labour training camps and detention centres across the country. Inmates are believed to endure inadequate meals, hard labour and a lack of medical care.

As has been mentioned, like other hon. Members, I also had the opportunity to meet Shin Dong-hyuk during his visit to the UK in October. I greatly appreciate the efforts of Mr Shin to raise awareness throughout the world of the appalling conditions and the seemingly inhumane treatment of people in North Korean prison camps. His personal testimony brought home the human suffering in a way that statistics could never manage, but it is worth mentioning that I am afraid that a lack of transparency and independent verification means that we are unable to get a full and accurate picture of the conditions in the camps. I am unable to inform hon. Members of how widespread the maltreatment that Mr Shin experienced is, because we are unable to obtain information that it is as clear as we would wish it to be, but the situation is obviously extremely serious indeed.

As the hon. Member for Bristol East mentioned, the rights of women and children continue to be of concern. Although women's rights are enshrined in the North Korean constitution, sexual harassment and violence—both domestic and in detention—is still widespread. Human trafficking remains one of the gravest crimes against North Korean women. Victims are often treated as criminals rather than helped by the authorities. The welfare of children is of equal concern, with many having no access to education and children under 16 routinely used as cheap labour.

We also have serious concerns about North Korea's failure to guarantee the right to eat and their management of the food sector. The North Korean Government's prioritisation of the military budget and their 1 million-strong army means that the state does not spend nearly enough in support of food production and imports. In recent decades, that has led to serious health issues among their population and humanitarian catastrophes, including the severe famine in the 1990s that caused up to 2 million deaths. International food aid and development aid have reduced the number of famine deaths, but North Korea still requires international assistance to feed its population.

[Mr Jeremy Browne]

We work bilaterally and multilaterally, in partnership with the United Nations, European Union and non-governmental organisations, to improve the situation in North Korea. Bilaterally, we take every opportunity to raise concerns on North Korea's human rights record via its embassy in London and our embassy in Pyongyang. Most recently, our ambassador in Pyongyang raised human rights as an area on which the UK and North Korea disagree, when she called on Kim Yong-nam, the President of the Presidium of the Supreme People's Assembly—one of the most senior figures in the North Korean Government—in October 2011. Through our embassy in Pyongyang, we also contribute to a series of small-scale humanitarian projects, but it is one of the hardest countries in the world in which our diplomats serve.

On large bilateral funding, the UK does not give aid directly to North Korea, owing to the difficulty in agreeing acceptable access and monitoring controls with the Government. We therefore believe that the Department for International Development's contribution to various multilateral organisations in North Korea represents the best way to contribute financially. Such commitments include subscriptions to various UN and Red Cross funds. Multilaterally, we continue to work through the UN and the EU to raise concerns about human rights abuses.

I assure my hon. Friend the Member for Cheltenham that I have personally raised the Government's and my concerns about the Chinese Government's role in North Korea directly with the Chinese Government. The point has been made in the debate that the current condition of North Korea might suit China. That might or might not be the case, but for the reasons that he spelled out, I do not accept that analysis. Even if one believed that its condition was in China's narrow political interest, the Chinese need to take account of a moral dimension, which is that the most appalling degradation of human life is taking place on their doorstep and any country that does not devote its energies to addressing such an issue needs to reconsider its political priorities and responsibilities.

Andrew Selous: The UK Government recently tabled a resolution on Syria at the UN. It was unsuccessful, but they nevertheless tried. Why do the Government not take the same approach to North Korea?

Mr Browne: At the UN, one always has to assess how one can be most effective. There is a place in politics for dramatic statements of intent and a place for trying to achieve the objectives that we all share. Our approach has sought, as much as we are able, to bring about those objectives, but we keep an open mind about how we can best achieve them in future.

The succession of Kim Jong-un brings with it an opportunity for us to push the new leadership to acknowledge the need for greater respect of their citizen's human rights. However, that will be difficult in the next few months, as it is likely that those who have recently assumed power in Pyongyang will take some time to establish policy priorities and a modus operandi for dealing with foreign countries. On 5 January 2012, the Presidium of the Supreme People's Assembly issued a decree to implement an amnesty of prisoners to mark the 100th birthday of Kim Il-sung and the 70th birthday of Kim Jong-il. We will push for further details and encourage transparency, but if it goes ahead, it will be a welcome small step forward for human rights.

We will need to be mindful of the increased risk to stability on the Korean peninsula, as the new leadership in Pyongyang establishes its security credentials. To that end, we continue to be in very close contact with key allies, including South Korea, the United States, Japan and our partners in the EU. Despite that important work, we will ensure that we and international partners continue to prioritise all the justifiable human rights concerns that have been articulated in this debate.

I again thank my hon. Friend the Member for Congleton for raising the topic this morning. I assure all Members present that the situation in North Korea is as grave and as big an affront to our common humanity and decency as that in any country in the world. The British Government and Parliament will continue to work to bring about radical change.

Empty Property Rates (SMEs)

11 am

Julian Sturdy (York Outer) (Con): It is a privilege to be granted time to hold this debate here today and to serve under your chairmanship, Mr Davies. As all Members present know, the rating of empty properties is a contentious and sensitive issue.

Let me start by outlining the situation of a couple of farmers in my constituency who have lived and worked on their land for decades. After the previous Government strongly encouraged them to diversify their land, they decided to develop a couple of small business premises to rent out to local entrepreneurs and small and medium-sized enterprises. They undertook substantial developments and put tenants in place. The future looked bright until the financial crisis broke and the recession hit. As a result of the subsequent turmoil in the financial market, many of my constituents' tenants were forced to downsize and move out. In some unfortunate cases, their tenants' small businesses collapsed, as bank lending sadly dried up. The limited three or six-month exemption from empty property rates has now expired, with the threshold returning to its original £2,600 level. As a result, my constituents now face bills totalling thousands of pounds.

Like all rational and sensible politicians, I have a great deal of sympathy for my constituents. In a letter to me, they said:

> "We have worked hard all our lives to get what we have today... the price we are paying now is the price of progress and it is like a lump of concrete around our necks."

One of my core principles in life is that every person has the absolute right to aspire and achieve without unfair burdens being placed on their shoulders.

In the current economic climate, our inherited policy of rating empty properties is unfair. We seriously run the risk of driving small business men and women into the ground, particularly in rural areas, where a number of small retail and commercial properties have been developed on diversified land. The owners are not wealthy property tycoons and often possess only limited experience of property management. It is wrong to believe that every property owner can take the hit of tax on empty properties; many simply cannot. To lay the blame for such a situation at the door of the coalition Government is entirely foolish and short-sighted.

Gavin Williamson (South Staffordshire) (Con): I congratulate my hon. Friend on securing this debate. I must declare an interest as outlined in the Register of Members' Financial Interests. Does my hon. Friend agree that the previous Government introduced this scheme with the good intention of ensuring that all redundant properties were redeveloped? However, it has been an incredibly blunt instrument, and with the economic downturn, it has effectively caused chaos for many small investors. We need to consider a more subtle approach to encourage the regeneration of areas.

Julian Sturdy: As my hon. Friend has said, the scheme is a blunt instrument that has had unforeseen consequences. It is also a barrier to investment and regeneration, which particularly affects the north, but I will go on to that point later in my speech.

The previous Labour Government reformed the empty non-domestic property rate relief in 2007 in an alleged attempt to encourage more commercial properties to be brought back into use throughout the supposedly never-ending boom years. The Rating (Empty Properties) Act 2007 increased rates on empty properties from 50% to 100% of their occupied rate. It also removed the exemption for storage and industrial premises, which was recommended by Kate Barker and Sir Michael Lyons in their independent review ahead of the 2007 Budget. As one would expect, the plans were controversial at the time. It was said that the 2007 Act would lead to constructive vandalism. However, the vast majority of property owners would not deliberately hold back empty properties from the marketplace. If I had been an MP at the time, I would have said that such properties were most often empty as a result of the poor planning system or a simple lack of demand for commercial properties within specific locations.

Appreciating that the new policy introduced unnecessary burdens on businesses in recessionary times, the pre-Budget report of November 2008 outlined a temporary increase to the threshold for exemption from such rates to £15,000 and then later to £18,000 for a two-year period. That provided much-needed relief for many affected individuals and was greatly appreciated. The Business Centre Association estimates that that measure saved its members about £10 million. However, the problem has returned. On 1 April 2011, the empty property threshold returned to £2,600, which is a remarkable and dramatic drop from the temporary £18,000 figure.

As a loyal supporter of the coalition, I appreciate that the Government cannot afford to tackle every issue and reduce the vast deficit simultaneously. Furthermore, I understand that some issues must take priority over others. I accept that the reckless economic legacy of the previous Government has largely tied our hands. Thankfully, though, this Government are intent on spending only what they can afford, and long may that approach continue.

The previous Government are responsible not only for the creation of the empty property tax rates, which they designed and implemented, but for the inflexibility of the coalition's fiscal options. Having to spend £120 million a day to pay off our country's debt interest payments hinders the present Government's ability to reform as broadly as they might otherwise do. None the less, empty property rates should be higher on the Minister's list of priorities.

Property owners in rural villages across the country are beginning to be hurt by this policy. They now feel let down by successive Governments. Such sentiments have been summed up well by Liz Peace, chief executive of the British Property Federation, who said:

> "If the Government is pinning its hopes on a private-sector led recovery, then this is a damaging and retrograde step. Empty rates are a tax on hardship at the worst possible time. The majority of the properties affected by this announcement will be in areas which are already economically disadvantaged, and so this will be a further blow."

Jason McCartney (Colne Valley) (Con): I congratulate my hon. Friend on securing this important debate. On Friday, I visited a mill complex on the outskirts of Huddersfield that is home to many thriving and positive businesses. I saw at first hand the disincentive for the owners of that complex to bring back some of the units

[Jason McCartney]

into habitation and to make them ready to show off to new businesses. He has talked about the Business Centre Association. Does he agree with its idea of allowing an exemption period of three years for all new and refurbished units to try to get them back into use as an incentive to stimulate small businesses?

Julian Sturdy: I appreciate those comments. The BCA was also talking about returning to the threshold figure of the recessionary times of £18,000. Given the tough economic times that we face, those two policies would help the situation.

Mark Pawsey (Rugby) (Con): On the exemption period, does my hon. Friend agree that six months is too short a period in which to find a new tenant? The commercial property market is difficult. Six months between one tenant leaving and the finding of a new tenant is insufficient to do the necessary marketing, to show people round and to get people into the accommodation. At the very least, the exemption period needs to be increased.

Julian Sturdy: I entirely agree with my hon. Friend. The six-month exemption period—indeed, it is only three months for retail premises, which is obviously even shorter—is incredibly burdensome for property owners. He is right that the short exemption period is difficult when marketing these properties and looking for new tenants.

We have to accept that there must be churn within the market. No one will ever say that we will get 100% of such properties filled up. Even in the best of times, we are perhaps talking about filling 80% to 85% of properties, and there must be that effective churn within the market to allow flexibility within businesses.

Guto Bebb (Aberconwy) (Con): I congratulate my hon. Friend on securing this debate. The specific point about churn is crucial. In my constituency, there is a very successful small business park in the town of Conwy and its proprietor feels that he is being penalised, because he tried to develop an incubator unit-style approach. In effect, he is now being penalised because of the churn. He is providing a service to the local business community and allowing people to have easy options to come in and out of the business park, which is vital for new business development, but he is actually being penalised by the system.

Julian Sturdy: I entirely agree with my hon. Friend. He is absolutely right that we need the churn within the market to allow new investment and new businesses to start up. As I said in my initial remarks, there are unforeseen consequences to this measure and it seems to be a barrier to investment and regeneration within certain areas.

As I have already said, the British Property Federation has expressed such sentiments, and it is not alone in doing so. Ahead of the Budget last year, the TaxPayers Alliance urged the Chancellor to scrap this tax altogether. In addition, ahead of the pre-Budget report last year, almost 50 regional chief executives of the British Chambers of Commerce signed a letter to the Chancellor that highlighted the perverse consequences of the policy.

Sadly, nothing has happened and according to Government replies to my written questions on this matter, there are no plans in the short term to review the situation. Consequently, I want to focus the rest of my speech on three main points. If they are taken further, I firmly believe that the Minister will urge the Government to review their position sooner rather than later.

First, I have already outlined my concerns about the impact of empty property rates on small businesses in rural areas. In addition, I briefly want to discuss my fears about the specific impact that this tax has across the whole of the north of England. As a Member of Parliament for the north, I have always been interested in the economic north-south divide. My first question at Prime Minister's questions was to ask the Prime Minister specifically about that gap. After all, it is statistically the case that the economic divide between the north and south of England actually increased during Labour's rule.

On many fronts, the coalition should be commended for its introduction of the regional growth fund and local enterprise partnerships, which are specifically aimed at addressing regional imbalances. However, such positive measures run the risk of being undermined if negative policies, such as empty property rates, are allowed to strangle many SMEs in the north.

Recently, Horncastle Group—a property developer based in Yorkshire—wrote to me about that issue. Its chairman, Mr Andrew Horncastle, has been lobbying against this regressive taxation for years. Discussing the issue with me, Mr Horncastle said:

> "This empty rates property tax is a tax on failure, and as such it discriminates between the prosperous south and hits weaker regions, particularly in the north. It is a short-sighted, ill-thought through socialist-style tax grab, and it does not sit in any proper growth strategy."

Frankly, I could not agree more with those comments. Those areas that are directly outside new enterprise zones will be hit further by this form of regressive taxation. At a time when we are genuinely attempting to rebuild and rebalance our northern economies, it seems somewhat foolish that we are continuing to operate such negative rates on empty properties.

Secondly, I fear that empty property rates carry with them unintended consequences. A number of Members have already touched on this issue. In 2009, the Royal Institution of Chartered Surveyors showed that empty property rates are the key driver behind decisions to demolish empty properties and they act as a barrier to investment in new property. Likewise, with an increased work load—owing to the higher vacancy rates—the cost of administering this tax within local authorities has already started to mount. Demolitions, higher administrative costs, additional financial demands on small businesses and a stagnating commercial property and flexible space sector are the consequences of this regressive policy.

My third point relates to the very simple principle of fairness. My right hon. Friend, the Prime Minister, has himself talked passionately and genuinely about "enemies of enterprise" that act as unnecessary hurdles for entrepreneurs and SMEs. The empty property tax is a perfect example of an enemy of enterprise. For a country targeting a private sector-led recovery, it is not right that such rates are imposed upon the very small businesses whose success we are counting upon. Indeed, it is not

only not right; it is not fair. I believe passionately that no Conservative would view the policy as being desirable or fair.

Actions speak louder than words, and if we admit that something is wrong but fail to reform it, we are badly letting down all those who are affected by it. I also firmly believe that any cost of tackling empty property rates would be far outweighed by the investment in premises, jobs and training that would follow in a rejuvenated market.

Paul Uppal (Wolverhampton South West) (Con): I congratulate my hon. Friend on securing this debate and I apologise—I would very much have liked to have been here at the beginning of this debate. The point that he has just made is very important. Regarding regeneration, in my constituency, I have found that empty property rates often make individuals who own commercial or industrial property view that property as a problem. Consequently, they will sometimes consider measures to try to mitigate the empty property rate tax. So the tax actually changes the mindset of property owners; it changes how they view the property. They do not view it as an opportunity but as a millstone around their necks.

Julian Sturdy: I entirely agree with my hon. Friend. If he had been here for the beginning of my speech, he would have heard me quote one of my constituents who said almost exactly the same thing.

The coalition should be commended for pursuing a fairness agenda, but let us now extend the principle of fairness to the empty property rates tax, because there is nothing fair about increasing taxes on property owners who are already suffering due to high vacancy levels.

Rebecca Harris (Castle Point) (Con): On fairness, one of the small business owners in Castle Point said that he would be very happy to pay tax on income that he was earning. He supports local businesses; he often has very good deals to help local businesses to get going; and he contributes enormously to the local community and local economy. He says that he would be delighted to pay even more on income that he was genuinely receiving, but he feels that it is incredibly unfair to be penalised when a property is empty.

Julian Sturdy: I entirely agree with my hon. Friend and that point is very well made. In fact, the whole hub of the argument is about fairness. People are completely prepared to pay tax on income earned, but this tax on empty properties could be seen as a tax on failure and it is just simply unfair.

Similarly, there is nothing fair about forcing entrepreneurs to consider selling, abandoning or even demolishing their premises because of the threat of excessive taxation. To penalise a property owner whose property falls vacant in recessionary times is not a prescription for economic recovery but a recipe for economic stagnation. Our stance on empty properties requires a fundamental review.

Mark Pawsey *rose—*

Philip Davies (in the Chair): Does the hon. Gentleman have permission from both the Member who secured the debate and the Minister to speak?

Mark Pawsey: Mr Davies, I have spoken to my hon. Friend who secured the debate, but not the Minister. Could I have two minutes to speak?

Philip Davies (in the Chair): You can speak very briefly, because we want to hear the Minister's response to the debate.

11.19 am

Mark Pawsey (Rugby) (Con): Thank you, Mr Davies, for calling me to speak.

I declare my entry in the Register of Members' Financial Interests and I remind the Chamber that I raised this issue in Westminster Hall in November 2010. Interestingly, Mr Davies, you were in the Chair then too. Equally interestingly, there was no attendance at that debate by any Opposition spokesmen, which perhaps indicated the Opposition's level of concern about matters affecting business.

At that time, I raised a constituency case, as my hon. Friend the Member for York Outer (Julian Sturdy) has done today. My constituent had a commercial property as an investment, which he had acquired after selling his business that had been located there. In recent months I, too, have visited constituents who have been very much affected by the changes including, most recently, an engineering company that has a vacant unit on its site, is unable to find a tenant and is liable to pay the commercial rates. In his reply to me a year ago, the Minister spoke of support to small business generally, but regretted the fact that the Government were unable to offer the concession that property owners would like.

My hon. Friend the Member for York Outer drew attention to the fact that the situation has become worse rather than better as a consequence of the fall in the exemption limit from £18,000 to £2,600, which means that the large majority of properties are now included. My hon. Friend spoke about the need for a private sector-led recovery from the recession we are suffering. Critically, at a time when we are demolishing perfectly sound industrial premises to avoid paying the vacant commercial rate, and developers are not developing new industrial and commercial premises because if they do so they might be left vacant, we are making it more difficult for small businesses to get started. There are strong reasons why the Government need to address the issue, and I very much look forward to the remarks that the Minister may make to be able to assuage the fears of businesses in this sector.

11.21 am

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): It is good to serve under you today, Mr Davies. I commend the persistence of my hon. Friend the Member for York Outer (Julian Sturdy) in getting this matter before the House. It is interesting to see how many other colleagues share his concerns.

I want to begin and, bearing in mind the time, it might be very nearly where I finish as well, by picking up one of the points that my hon. Friend the Member for York Outer made about the financial situation facing the country. He drew attention to the fact that £120 million a day is spent servicing the interest on the outstanding public sector debt; I wish that that was the whole story,

[Andrew Stunell]

but unfortunately it is not even half of it—it is only a quarter. In the 2009-10 fiscal year, the signed-off accounts showed a deficit accumulation of £164 billion of extra debt added to the national debt for that year. That sounds like a lot of money, but people find it very difficult really to understand how much it is. Looked at on a daily basis, it is £450 million added to the national debt for every day of that financial year, and it was in that context that the right hon. Member for Birmingham, Hodge Hill (Mr Byrne) left his famous note: the money has all gone.

I want to make it very clear that the Government recognise the vital role that small businesses play in building a sustainable economy, but a sustainable economy depends on having a sustainable financial system and sustainable public expenditure. I am sure that my hon. Friend the Member for York Outer, and our other hon. Friends who have contributed to the debate, would be even more enthusiastic than I am, as a member of the coalition Government, to see the fiscal and financial situation brought under control. We have a coalition commitment to rebalance the economy and to support businesses to provide the growth and jobs that the country needs, and Members have eloquently pointed out the particular role of small start-up companies in doing so. This Government have made an excellent start and are doing a great deal, but there is always a balance between putting the finances right as a short-term necessary foundation and providing the right springboard for growth.

This Government fully recognise the problems that were caused by the outgoing Government's so-called reform of empty property rates. Members have spoken eloquently today about the problem, and have allocated the blame correctly to the outgoing Government. From 2008, the exemption period was restricted to three months for non-industrial property and six months for industrial property, with ratepayers being liable for full rates once that period had lapsed. The previous Government claimed that the purpose of the reforms was to increase the cost of holding empty property and thus to encourage owners to relet or redevelop empty commercial properties, or to sell them on to people who would do so. That argument was based on an economic theory that was, and still is, not fully accepted by the business community; hon. Members have pointed out that even in good times it would be unrealistic to think that every commercial property in the country would be full—there would always be churn and vacancies.

The Government fully understand and appreciate that ratepayers would like us to undo the previous Government's so-called reforms, or to continue with the temporary measures, but our ability to take action needs to be balanced against the very high costs involved. We are, however, also providing targeted support on business rates, and there is an overriding need to reduce public expenditure and support the economy generally by reducing the deficit. Had any Labour Members been here today, and that is perhaps something of a statement in itself, I can imagine that they might have said, "Why don't you do it anyway, it's only another day's deficit borrowing?" Restoring the relief would cost somewhere between £400 million and £500 million a year—just another day's borrowing. I believe that those of us present are more mature and responsible than that, and would not simply say, "Oh yes, it's just another day. Let's do it." That is the challenge the Government face because, as my hon. Friend the Member for York Outer made clear, the Government have to balance getting the economy straight financially and fiscally with providing the springboard for business growth.

I have a long list of the very wide range of help we have provided to businesses, and had time permitted I would have read it out, but I would be happy to pass it on to Members who have contributed to the debate. The help focuses on getting new businesses started and on getting existing businesses to expand. We have to set priorities. Although changes to the empty property rate are currently unaffordable, we recognise that the problems caused by the previous Government's reforms are still there, and we will certainly keep the matter under review.

We have already taken some major actions, particularly on business rates, to demonstrate our commitment to providing targeted support for the business community. Yesterday, the Local Government Finance Bill, which reforms business rates, received its Second Reading. When the measure comes into force, it will give every local authority the capacity to rebate business rates at their discretion in their local area. I hope that Members here today will support that legislation with great enthusiasm, and that they look forward to the day, in April next year when the measure comes into force, when they can go to their local authorities and make as eloquently as they have today the case for empty property business rate relief, which can then be targeted and shaped to local circumstances.

Although I would like to spend time on the long list of good things that the Government have done to support business, I hope that in the limited time available I have been able to explain why the Government have set rigorous priorities and feel obliged to stick to them through these 12 months. I hope that there is a glimmer of light at the end of the tunnel, when the Local Government Finance Bill becomes law, for my hon. Friends to approach their local authorities and put their case strongly to them.

11.29 am

Sitting suspended.

Iran (Human Rights)

[Dr William McCrea *in the Chair*]

2.30 pm

Dr William McCrea (in the Chair): Before I call the hon. Member for Liverpool, Riverside (Mrs Ellman), may I wish right hon. and hon. Members a very happy new year?

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I am pleased to be conducting this Adjournment debate under your chairmanship, Dr McCrea.

This debate draws attention to Iran's horrendous human rights record. The abuses affect a wide range of people—women, gay people, dissidents and the human rights lawyers who try to defend those people, including the lawyer Abdolfatah Soltani, held since September 2001 for creating propaganda against the system. Last September, three Iranian men were executed after being found guilty of charges relating to homosexuality. Last week, the daughter of Akbar Hashemi Rafsanjani, the former President of Iran, received a six-month jail sentence for allegedly spreading propaganda against the regime. Sakineh Mohammadi Ashtiani, an Iranian woman who was due to be sentenced to death by stoning for alleged adultery, may now be hanged; we are told that the change of punishment from stoning to hanging is some kind of progress.

However, I wish to focus on an area of persecution that has received too little public notice and attention: the long-standing and ongoing persecution of the Baha'is, adherents of the Baha'i religion founded in Iran in the mid-19th century. The persecution is not widely acknowledged, although it is pervasive and is escalating dangerously. There are thought to be more than 300,000 Baha'is in Iran and 188 Baha'i communities worldwide.

Following the Iranian revolution in 1979, 200 Baha'is were expelled and thousands were imprisoned. The 1991 memorandum of the Supreme Council of the Cultural Revolution set out what still remains official policy towards what is ominously called the Baha'i question. The memorandum makes it clear that official policy is repression of the Baha'is in an effort to crush the religion and its adherents—in the words of the Iranian Government's official policy, to block their progress and development. The repression takes a number of forms in an ongoing and systematic persecution. It means arbitrary arrest and imprisonment and the denial of access to higher education and areas of employment. The homes and businesses of Baha'is have been subject to arson attacks, cemeteries have been destroyed, and children have been harassed.

There are 102 Baha'is imprisoned in Iran. One current issue of major concern is the trial of the seven former leaders of the Baha'i community of Iran: Fariba Kamalabadi, Jamaloddin Khanjani, Afif Naeimi, Saeid Rezaie, Mahvash Sabet, Behrouz Tavakkoli and Vahid Tizfahm. They were detained in 2008 without charge and were denied access to lawyers for a year. In January 2010, they appeared in court on charges that could have led to their execution. In August, they received sentences of 20 years. Although the sentences had been reduced to 10 years following international condemnation, the length has since been restored.

In May 2011, another series of raids was held on 39 Baha'i homes in Tehran, Karaj, Shiraz, Gohardasht, Sari and Zahedan. In the ensuing weeks, eight people were released, but 11 remain imprisoned. The charges were of conspiracy against national security and conspiracy against the Islamic Republic of Iran by establishing the illegal Baha'i Institute for Higher Education, an online programme to support Baha'i youth barred from universities. I have raised the persecution of the Baha'is previously.

Nic Dakin (Scunthorpe) (Lab): I pay tribute to my hon. Friend for securing this afternoon's debate. Canadian Senator Dallaire, a former commander of the UN mission in Rwanda, recently drew attention to the escalation of attacks on Baha'is and others in Iran, which he described as

"a slow-motion rehearsal for genocide".

Does my hon. Friend agree that such comments from such a distinguished observer of human rights are a great cause of concern, as are the issues that my hon. Friend outlines?

Mrs Ellman: I agree with my hon. Friend. Those comments show how the situation is escalating. They should lead not only to increased concern but to increased action. I intend to refer to that comment later, and will say what I think should be done to address the situation.

Mr Mark Williams (Ceredigion) (LD): I pay tribute to the hon. Lady's work on behalf of the Baha'i community. We are both members of the all-party friends of the Baha'is group, which tries to advance the cause of the Baha'is. Does she agree that one of the big problems with Iran is raising awareness of the human rights issue in Iran? I am thinking of the case of Madam Ashtiani, of the 600 people who have been executed over the past year, and most definitely of the Baha'i community in general. That is where contributions from Canadian senators and others are particularly important. There has been a huge awareness deficit across the world of the extent of human rights violations in Iran.

Mrs Ellman: I agree with the hon. Gentleman. It is extremely important to raise awareness, knowledge and consciousness of these atrocities. It is important that people take action to prevent or stop persecution, but unless they become aware of it, it is less likely that action will be taken. Contributions such as his are important in increasing that awareness.

Mike Gapes (Ilford South) (Lab/Co-op): Reference has been made to members of other faiths. Has my hon. Friend read the report of the United Nations special rapporteur, which condemned the actions taken against Arabs, Azeris, Baha'is, Balochs, Christians, Kurds, Sufis and Sunni Muslims? The report was published in September by the special rapporteur, Ahmed Shaheed, who was appointed by Secretary-General Ban Ki-moon.

Mrs Ellman: That report is extremely important in documenting the wide range of persecution in Iran. It is important that the report is made known more widely and leads to action. I congratulate my hon. Friend on his work during the previous Parliament as Chair of the

[Mrs Ellman]

Select Committee on Foreign Affairs, which considered human rights in Iran and specifically referred to some of these issues, including the Baha'is and other groups to whom he referred. The Select Committee's work in drawing public attention to the situation is extremely important, but what also matters is that the information is used and followed by action, in this country and internationally. I note that both the present Government and the previous Government have taken the issue of general persecution against a range of people in Iran seriously and have raised it. Their work has been good, but much more still needs to be done.

In March 2011, the United Nations Human Rights Council appointed a special rapporteur to monitor Iran's compliance on human rights, and last December the General Assembly expressed deep concern about a wide range of abuse that is continuing and, in some cases, escalating. It stated that the abuse includes a "dramatic increase" in the use of torture, the systematic targeting of human rights defenders, pervasive violence against women, and continuing discrimination against minorities, including members of the Baha'i faith.

Regrettably, those representations, and the work done by our Government and others in the United Nations—and, indeed, in Europe—have not had a great deal of effect. Persecution continues and concerns are escalating. My hon. Friend the Member for Scunthorpe (Nic Dakin) referred to the concerns expressed by the Canadian Senator, Roméo Dallaire, who has drawn attention to the rise in atrocities in Iran, both generally and specifically against the Baha'is. It is extremely important that the world does not wait until there is a genocide. It should heed warning and take further action to put pressure on the Government of Iran to stop what they are doing. The Minister does good work in this area, but what further representations does he intend to make? Will he make representations to those members of the UN Human Rights Council who did not feel able to join in the condemnation of the atrocities, in order to persuade them to increase the pressure and join that widespread condemnation?

I have a specific request: will the Government call for Dr Bielefeldt, the UN special rapporteur on the freedom of religion or belief, to be granted a visa to visit Iran, so that he can compile a new report on freedom of religion or belief there? Dr Bielefeldt's comments in October 2011 on the extreme nature of the persecution of the Baha'is in Iran are extremely alarming. Will the Minister do all that he can to support the issuing of a visa from Iran to allow Dr Bielefeldt to visit and conduct further investigations?

Too little is known about the plight of the Baha'is. Some Members may be aware of it only from their constituency work and their work with refugees. Many of us find that people in our constituencies are seeking asylum on grounds of persecution following their experiences in Iran. I have met a number of such people. Indeed, I am in the process of making representations on behalf of two Baha'is from Iran who are seeking asylum following persecution in their homeland, in this case for their work in the field of the arts. That demonstrates the Iranian regime's repression of its whole population.

Last July, the popular Iranian comedian, Omid Djalili, wrote in *The Guardian* about the plight of the Baha'is and, indeed, his own experience as a Baha'i. He wrote about his experience as a member of an Iranian football team in Northern Ireland. He was a valued and successful member of the team, but when his colleagues discovered that he was a Baha'i, he was cold-shouldered and dropped from the team, which is an example of absolute prejudice against Baha'is.

Mr Robert Buckland (South Swindon) (Con): The hon. Lady referred to the 1991 memorandum. Does this not go beyond a culture? It is an actual black-and-white policy, as laid out by the Supreme Council of the Cultural Revolution. The memorandum needs to be withdrawn so that there is not a policy in black and white, with expulsion from universities, exclusion from employment, and general exclusion from life in Iran.

Mrs Ellman: I agree with the tenor of the hon. Gentleman's remarks. In the context of the whole field of human rights in Iran, we are talking not about persecution by individuals, and something that is inconsistent with the general tenor of the way in which the Government operate, but about state-sanctioned persecution, which is what makes it so ominous and horrendous. That is why it so important that action is taken, not just nationally—we cannot achieve very much on our own—but internationally. It is extremely important that people understand what is happening—that this is part of the state apparatus, not an anomaly.

Omid Djalili wrote a number of interesting things in his article. He wrote about his own experience. I was privileged to hear him speak about it directly at the House of Commons only a few months ago when he addressed a meeting held by the all-party friends of the Baha'is group—of which I am the treasurer—about human rights in general. In his *Guardian* article, he took the issue further than his individual experiences. He wrote about the general situation in Iran in relation to Baha'is and how he felt that their plight had been ignored for far too long in Iran as well as outside it. He wrote:

> "Nowadays, the climate feels different. In February 2009 a group of Iranian intellectuals, writers, activists and artists signed an open letter to the Bahá'ís stating their regret concerning the Iranian government's treatment of its Bahá'í minority. They made an open apology for their silence during Iran's long-running persecutions: 'a century and a half of oppression and silence is enough'. This letter was welcomed by the Bahá'ís, who have always made it clear they are humanitarians, not political activists, working towards social transformation for all at a grassroots level, not concerned with overthrowing governments."

It is important that people understand that the nature of the Baha'is is peace-loving. They want to unify people and do not seek division and dissent. It is important that that gentle approach is not misunderstood, that people understand what is happening to the Baha'is and, indeed, to other groups, and that they are willing to take action about it.

I hope that this debate will focus attention on Iran's deplorable record on human rights across the board. The abuses affect far too many people. I hope that it will shine some light on the position of the Baha'is, whose plight is little known and little understood. What matters most, however, is that action is taken. I look forward to hearing the Minister's response.

2.47 pm

Mr Stewart Jackson (Peterborough) (Con): I am grateful for the opportunity to contribute to this vital debate. It is a pleasure to serve under your chairmanship for the first time, Dr McCrea, and I warmly thank the hon. Member for Liverpool, Riverside (Mrs Ellman) for bringing this issue to the Chamber. I am indebted to Christian Solidarity Worldwide for assisting my preparation for this debate. I could not speak in front of a more apposite ministerial representative than the Under-Secretary, who has taken a great interest in the issue throughout his years in the House.

This is a period of unprecedented tension between the west, broadly speaking, and Iran, but that should not mean that we resile from confronting Iran with the reality of the human rights abuses and persecution that it is inflicting on many of its citizens. In the context of human rights, I would like to focus specifically not on the Baha'i faith, but on the wider Christian community and the suffering that it endures at the hands of the state.

Iran has witnessed a steep rise in the persecution of religious minorities during 2011, principally of Christians belonging to both the sanctioned Churches and the unsanctioned house-church networks. The most worrying forms of persecution include regular raids on gatherings; harsh interrogations and torture of Christians, including demands for the recantation of faith and for information on the identities of fellow Christians; detention for long periods without charge and other violations of due process; convictions for ill-defined crimes or on falsified political charges; the economic targeting of the Christian community through the demand of exorbitant bail payments; and the threat of imminent execution of a house-church pastor.

Both evangelical Christians and Christians within the traditional Armenian and Assyrian Churches who conduct services or church activities in Persian are deemed a threat to the Islamic integrity of the nation and live increasingly in an atmosphere of instability. Targeted persecution has been undergirded by a proliferation of anti-Christian rhetoric from senior figures in Iran and, as the hon. Member for Liverpool, Riverside has said, has been accompanied by the continuing repression of the unsanctioned Baha'i religious community.

I particularly want to raise the very worrying case of Pastor Youcef Nadarkhani, which I have previously brought to the Minister's attention. Pastor Nadarkhani was sentenced to death for apostasy—abandoning Islam—in 2010 and was involved in two further court cases last year. The case went to appeal at the supreme court in June 2011, and the verdict of the lower court was not overthrown. However, the supreme court requested a re-examination of whether Pastor Nadarkhani had practised Islam as an adult before his conversion to Christianity. The re-examination took place in September last year, and it was ruled that although the pastor had never practised as an adult, he was nevertheless guilty of apostasy due to his Islamic heritage.

In a series of hearings from 25 to 28 September, the pastor was given three opportunities to recant his faith to secure his acquittal and release. He refused very courageously each time and was returned to prison to await a final written verdict from the court. A significant international outcry raised the profile of the case and the courts have twice referred to the supreme leader of Iran, Ayatollah Khamenei, for his opinion. However, the ayatollah has so far avoided commenting on the issue and no official final decision has been reached. Pastor Nadarkhani remains in Lakan prison.

On 23 December, the sanctioned Assemblies of God church in the city of Ahvaz was raided during a Christmas service. Everyone in the building, including children attending the Sunday school, was detained, interrogated, threatened and eventually released. However, the church's senior pastor, Pastor Farhad, remains in detention along with some of the church leaders. Although direct attacks on sanctioned churches were rare in 2011, a large number of unsanctioned or underground house churches were violently raided, items confiscated and members arrested and interrogated. More than 300 members of house churches are known to have been arrested and interrogated in at least 48 cities throughout Iran in 2011. However, the complete figure is almost certainly significantly higher. The majority of those arrested were released following questioning and a short incarceration, but many have been recalled for further questioning, and at least 41 have spent a month to a year in prison. Some of those arrested have not been formally charged and many of them face long periods of solitary confinement.

Farshid Fathi-Malayeri, who was arrested on 26 December 2010 in Tehran, is still being held in Evin prison. He has not been formally charged and a court date has not been set. That evangelical church leader and father of two young children has been kept in solitary confinement for a large part of his incarceration. The equivalent of £120,000 was demanded as bail for his release, and his family eventually managed to raise that, yet the authorities still refused to release him. On one occasion, as a form of psychological torture, Farshid was told to pack a bag and get ready to leave. The guards led him as far as the outer gate of the jail where other prisoners were being released, but he was then suddenly ordered back to his cell. Noorollah Ghabitzadeh, a church leader arrested in Dezful on 24 December 2010, is also believed to be still detained, although little is known of his condition.

Detainees regularly face solitary confinement, sleep deprivation, illness as a result of privations, denial of medical treatment, unsanitary conditions in prison and forms of psychological and physical torture during interrogation. Torture is used to pressure individuals to make confessions and to provide information on others. As I mentioned, exorbitant bail postings secure the release of individuals, along with illegal documents that religious detainees are forced to sign. Such documents demand an end to participation in Christian activities, the renunciation of faith, and compliance with further questioning when summoned. Laptops and mobile phones are often confiscated during raids on private Christian homes and are used to obtain information on the activities and identities of other Christians.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Liverpool, Riverside (Mrs Ellman) on bringing the matter to the House today. One of the repercussions of the issue being discussed relates to employment and the owning of property. It is not just about being hit for worshipping God in church; there are repercussions beyond that. Does the hon. Gentleman know whether the Government have made any representations to the Iranian authorities to reduce and minimise the threats to Christian people?

Mr Jackson: I pay tribute to the hon. Gentleman, who has taken a great interest in these issues. If he will bear with me, I will make some key requests of the Minister when I conclude. I certainly agree with the tenor of his comments.

The majority of Christians arrested in the past year have been released and are either on bail awaiting trial or have been issued with severe warnings and threats against other Christian activity. The Church of Iran evangelical denomination has been particularly targeted with legal action in the past year. Pastor Behnam Irani is a pastor from that network who has been imprisoned since May 2011. He is currently serving a five-year sentence in Ghezel Hesar prison in Karaj for action against national security. The verdict against him includes text that describes Pastor Irani as an apostate and reiterates that apostates "can be killed".

According to Christian Solidarity Worldwide sources, Pastor Irani is sharing a cell with criminals who regularly beat him and, as a result of injuries sustained during these assaults, he is now having difficulty walking. Christian Solidarity Worldwide was informed that, during the first few months of his imprisonment, he was held incommunicado in a small cell, where guards would repeatedly wake him from sleep as a form of psychological torture. He was moved into a cramped room where inmates could not lie down to sleep, before being transferred to his current cell.

Jo Swinson (East Dunbartonshire) (LD): The hon. Gentleman is making a compelling contribution about the distressing persecution of the Christian minority in Iran, as the hon. Member for Liverpool, Riverside (Mrs Ellman) did about the Baha'i. Does he agree that it is bizarre that the Iranian Government claimed to support the Arab spring, when people were demanding democracy, freedom and human rights, while they oppress their citizens and abuse their human rights in the most appalling way, whether on the basis of religion, sexuality or for daring to express a political viewpoint?

Mr Jackson: The hon. Lady is absolutely right. It is more than distressing; it is of extreme concern to anyone who values freedom, liberty and democracy. We are seeing the beginnings of a systematic approach that sometimes prefaces genocide, and our Government—and other Governments—are starting to realise that.

I am mindful that other hon. Members want to speak, so I will make some progress. The Islamic Penal Bill, which would amend the Islamic penal code, is expected to be passed into legislation by the Iranian Parliament this year. The Bill will almost certainly increase the severity of human rights abuses in Iran. The initial approval of the Bill by the Iranian Parliament on 9 September 2008 was a worrying development, as the original draft stipulated the death penalty for male apostates and life-long hard labour or imprisonment for female apostates. In June 2009, Ali Shahrokhi of the Parliament's legal and judicial committee reportedly told the Iranian state news agency—the Islamic Republic News Agency—that the committee had decided to remove the reference to the death penalty from the Bill as it was not

"in the interest of the regime".

However, it is possible the death penalty clause may still be in the text. There were fears that, if that was the case, the clause would be implemented in the case of Pastor Nadarkhani without warning at any time and would endanger other Christians.

The persecution of Christians has been accompanied by a proliferation of anti-Christian rhetoric from authority figures in Iran. In October 2010, Supreme Leader Ayatollah Khamenei declared from Qom that Christianity was being deliberately spread by Iran's enemies as a means to weaken Islam within Iranian society. Likewise, on 4 January last year, Mr Morteza Tamaddon, governor of Tehran, made a speech in which he openly threatened further arrests of Christians. He declared that evangelical Christians had inserted themselves into Islam "like a parasite" with the backing of the west. We must think back to the vile propaganda of the Nazis before the war and the way in which Jews and others were characterised when we consider the appalling comments that have been made by leading figures in the Government of Iran.

In August 2011, Ayatollah Hadi Jahangosha echoed this sentiment in a presentation on Mahdivism—belief in the twelfth Imam. He declared that

"the West is trying to devour our youth by publishing and advertising false Gnostic books...our enemies have noticed that Satanism and false Gnosticism are not popular in Iran and because of that they are taking a religious approach to expand Christianity."

He identified the house-church movement as a deviant sect by stating that

"the 'real Christians' do not believe in this distorted Christianity-Protestantism."

Furthermore, following the seizure of a consignment of 6,500 bibles in Zanjan province in mid-August, Dr Majid Abhari, adviser to the Iranian Parliament's social issues committee, declared that Christian missionaries were attempting to deceive people, especially the youth, with an expensive western-backed propaganda campaign. In seeking to portray evangelical Christians as part of a foreign conspiracy against Iran, the regime seeks to justify its continuing crackdown on house churches and individual Christians.

I had intended to speak on the Baha'i faith persecution, but it has been covered admirably by the hon. Member for Liverpool, Riverside. I will, however, conclude by way of putting questions to the Minister. Perhaps he will respond by saying what action is necessary by the international community, and by the Foreign and Commonwealth Office and the Government. We should urge the Iranian Government to uphold their obligations under their own constitution and penal code, which do not codify the death penalty for apostasy, and their obligations under international law, including provisions for freedom of religion or belief, contained within the international covenant on civil and political rights, to which Iran is a state party.

We should urge the Iranian Government to ensure the removal of the clause stipulating the death penalty for apostasy from the draft Bill for the amendment of Islamic penal code in light of Iran's human rights obligations, and to make the amended draft publicly available.

Mr Gregory Campbell (East Londonderry) (DUP): On the point about the possible amendment within Iran, I, like others, was lobbied regarding the pastor. Thankfully, the death penalty was not used. Does the

hon. Gentleman agree that our Government should, at every level possible in the immediate future, in the next weeks and months, ensure, as far as we can, that pressure is applied to the Iranian Government, and that we should not pre-emptively take any action that would endanger the life of the pastor about whom we are all concerned, as well as the lives of other Christians and Baha'is in Iran who could suffer a fate similar to that which has, unfortunately, been hanging over the pastor's head?

Mr Jackson: I thank the hon. Gentleman. It is important to make the point to the Iranian Government and Iranian parliamentarians that the world is watching and that they cannot inflict their vile regime, systemic torture and abuses of human rights without very serious ramifications on the part of the international community. We should urge the Iranian Government immediately to release all Baha'i detainees held on account of their beliefs and to end official discrimination, monitoring intimidation and other hindrances to their freedom of religion.

A comment was made earlier by the hon. Member for Ilford South (Mike Gapes) about Mr Ahmed Shaheed, who must to be able to continue and complete his work unmolested. He is newly mandated as the UN special rapporteur on the situation of human rights in Iran. He needs to continue to monitor the regime's compliance, specifically with respect to international human rights standards, including freedom of religion or belief.

Finally, the motto of Christian Solidarity Worldwide is, "Be a voice for the voiceless". This debate is vital. Again, I pay tribute to the hon. Member for Liverpool, Riverside, because at least in this Chamber in our Parliament, the voiceless do have a voice this afternoon.

Several hon. Members *rose—*

Dr William McCrea (in the Chair): Order. It is normal to call the Opposition Front Bencher at 3.30 pm, followed by the Minister. A number of hon. Members are seeking to catch my eye. I should like to allow as many of them as possible to speak, so I ask colleagues to be mindful of that when they are making speeches.

3.6 pm

Jeremy Corbyn (Islington North) (Lab): I welcome the debate and the opportunity to raise the issue of human rights in Iran and, from that, our relationship with Iran. I deplore intolerance. I deplore the attacks on the human rights of religious people and religious minorities, dissidents within Islam or, indeed, linguistic minorities in Iran. Most countries in the world, including our own, have gone through periods of the most grievous intolerance towards minorities. One hopes that at some point Iran will come through this.

The current intolerance towards many dissidents in Iran is not particularly new. Indeed, it has gone on since the 1950s. The high point of freedom in Iran was the nationalist Government of the early 1950s. The coup of 1952 brought in the Shah's regime and his secret police. The revolution of 1979 brought in the Islamic Republic and a great deal of repression of its opponents, particularly in its early days and more latterly. We should recognise that large numbers of people in Iran stand up for human rights, democracy and their own rights. Any change within Iran is more likely come from internal opposition and internal organisation than from anything that is done from outside or any outside pressure.

To add to the list of people affected, I draw attention to an early-day motion that I tabled early in December:

> "That this House is alarmed at the re-arrest of Ebrahim Madodi from the Vahed Trade Union Syndicate in Tehran; calls for his release and that of fellow trade unionist, bus workers' leader, Reza Shobabi immediately; and supports the rights of independent trade unionists in Iran to represent their members without the threat of imprisonment."

Ebrahim Madodi was released after an international campaign mounted by the TUC in this country and supported by many other unions. Indeed, campaigns have been mounted on behalf of Christians who have been under threat in Iran. The regime responds when there is enough international pressure. They do not send an e-mail straight away saying, "Thanks for your representations; it has all changed." What one notices is that subtly, over a period of a few months, usually some kind of change happens. It is therefore well worth raising these issues, and it is very important that we continue to do so.

I should like to draw attention to a couple of other points, but I am mindful of what you said about time, Dr McCrea. The UN special rapporteur on extradition and summary executions in Iran, supported by Amnesty International and Human Rights Watch, drew attention to the very large number of executions that have taken place in Iran, either for alleged drug dealing or alleged consumption of drugs. This country has a policy of absolute opposition to the use of the death penalty. I pay tribute to our representatives at the UN Human Rights Council, who routinely and absolutely assiduously, whenever a peer group review comes up of the human rights in any country, immediately raise the issue of the death penalty if it is applied in that country. When the Minister replies, I hope that he will be able to assure us that, when the next opportunity arises at the council, the death penalty in Iran will be mentioned again and complaints will be made about it.

In the context of what is happening in Iran, it is worth referring to documents from the Iran Human Rights Documentation Centre, as well as to its campaigns for media freedom, for film makers and for legal representation to be available to all those who have been arrested or detained by the Iranian state. We recognise that work, and we want to put pressure on the Iranian Government to ensure that the centre can carry out its work without let or hindrance.

It is also worth recognising that there is a problem in Iran beyond that which has been mentioned so far. A number of bombings and assassinations of scientists—nuclear scientists and others—employed by the Iranian Government are taking place in Iran, and mysterious explosions are taking place at military bases. I do not know, any more than anybody else in the Chamber knows, who is perpetrating those attacks, but there is clearly a pattern. I do not believe that any country, whether Iran or anywhere else, should have nuclear weapons. Iran is still a signatory to the nuclear non-proliferation treaty, and I hope that it remains one. I also hope that we take steps to achieve a nuclear-free middle east.

The British Government were obviously concerned when the attack on the British embassy took place, and all diplomatic representation has now been withdrawn

[Jeremy Corbyn]

from Iran. I should be grateful to the Minister if he explained what options are now available to people in Iran who want to contact British representatives, because I have constituents of Iranian origin with family members in Iran who want, quite legitimately, to visit family in this country. Under normal circumstances, they would be perfectly able to do so, but they now find it extremely difficult to know how to apply for the appropriate visa. I should be grateful to him if he explained how they could do that.

In this country, we have considerable freedoms to speak, as well as protection for minorities and tough anti-discrimination and anti-racist legislation. All that is absolutely right and proper, and I would want the same for everyone in every country in the world. I therefore support those in Iran who are doing their best to stand up for rights, democracy and accountability in their society. However, I am not convinced that such rights will be won for Iranian people by imposing isolation and sanctions on Iran's Government, threatening military action or, indeed, attacking Iran. That will not bring about change but make the situation considerably worse for people in Iran.

Will the Minister therefore explain exactly what dialogue is taking place with the Iranian Government and what dialogue took place with civil society before the withdrawal of British diplomatic staff? Dialogue with civil society can be helpful in protecting people, but it can also be helpful in promoting changes in society. I want to see changes, but I also want to see peace. The presence of US warships in the region and sanctions against Iran will not necessarily bring about those changes; in many ways, such things are probably strengthening the regime and its intolerant side, rather than its more tolerant side.

We should pay tribute to those who demonstrated during the election process to call for free and fair elections, those who stand up in universities demanding intellectual freedom and those who stand up for plurality in society. Surely, that is really what the Persian tradition is about—not the intolerance and oppression that all Members in the Chamber have rightly drawn attention to.

3.14 pm

Andrew Selous (South West Bedfordshire) (Con): It is a pleasure to serve under you, Dr McCrea. I congratulate the hon. Member for Liverpool, Riverside (Mrs Ellman) on securing this important debate. She may be interested to know that Michael Nazir-Ali, a Member of the House of Lords and formerly Bishop of Rochester, was very active on behalf of the Baha'i community in Iran in his recent travels to that country.

I want to echo some of the remarks made by my hon. Friend the Member for Peterborough (Mr Jackson), who talked about the persecution of Christians in Iran, a subject I have raised on the Floor of the House with the Minister. It is important to say at the start that Christianity in Iran is as old as Iran itself. We know from the New Testament that Parthians, Medes and *Elamites—all tribes from Iran—were* present on the day of Pentecost. Furthermore, some of the earliest Christian missionaries to China were Iranians, and there is a lot of evidence that the early Church in Iran went back to the early centuries after the birth of Christ, and to people such as Tatian the Assyrian.

Any idea that the regime in Iran tries to put out that Christians are somehow not intrinsically Iranian, not patriotic or not part of the country is therefore historically wholly untrue and is not borne out by the facts, even though Christians are few in number in Iran. Their numbers are growing, however, and there is considerable growth in the Church. That is despite the fact that eight Christian leaders have been murdered for their faith since 1979. Open Doors, another excellent charity, which looks at religious freedom around the world, says Iran is the second-worst country in the world in which to be a Christian, after North Korea. Some colleagues in the Chamber were at this morning's debate on North Korea, in which we looked at the position of minorities—Christians and others—in that country.

I was delighted by the Foreign Secretary's intervention in the case of Pastor Nadarkhani, which was bold and clear, and it was heard in this country and around the world. I agree with the hon. Member for Islington North (Jeremy Corbyn), who said that our interventions do have an effect. Things may not change immediately, but countries do not like justified, evidence-based international criticism. Such debates are worth while in a small way, because when we mention the names of people who have been wrongly treated for whatever reason, we show our concern for them, and that has an effect. Those of us who are privileged to have a platform from which to speak in this place are called to be a voice for the voiceless, as my hon. Friend the Member for Peterborough rightly said.

It is right that we go on raising the case of Pastor Nadarkhani, and that of Pastor Fahad, who is in detention. Pastor Fahad's Christmas service was raided on 23 December, when many of us were enjoying the freedom to go to carol services and so on in our communities. Children in the Sunday school were arrested and taken into detention—what an appalling thing to do to children.

Jeremy Corbyn: Will the hon. Gentleman confirm that intolerance in Iran towards Christians and, indeed, other religious minorities, including Jewish people, is outwith the traditions of Persia before the Shah's time, when there was considerable religious tolerance of a wide variety of faiths?

Andrew Selous: That is a good point, and it adds to some of the historical context that I was trying to give earlier. I am grateful to the hon. Gentleman for quite properly putting that on the record.

Like my hon. Friend the Member for Peterborough, I want to mention the case of Farshid Fathi, who was imprisoned just over a year ago, on 26 December 2010. He is still in Evin prison, and I have not met him, but I have met Dr Tony Sargent from the International Christian College in Glasgow, who knows him well. Farshid Fathi is a very bright and dynamic young man who is the life and soul of the party, but he is languishing in prison when he should be free to nurture a church, as he feels called to. Similarly, Pastor Behnam Irani was imprisoned in May 2011, and he, too, is someone we should not forget. I agree with the concerns my hon.

Friend raised about the Islamic Penal Bill. There is still the possibility that the death sentence could appear in it for apostates.

In mid-August last year, 6,500 Bibles were seized in Zanjan province. It is illegal for Christians in Iran to print or sell Persian Bibles, such as the one that I am holding. Bibles have been seized, and there have been reports of some having been burned. Christians around the world rightly condemned the threatened burning of a Koran by a rather fringe and slightly lunatic pastor in Florida some years ago, so some condemnation by Muslims of what we have heard from Iran on the burning of Bibles would be welcome and would give us a bit of reciprocity.

I have had meetings with diplomats from the Iranian embassy, but I do not think that there will be many more, because they are back in Tehran at the moment. I met Mr Mousavi and Mr Sahabi, and got the impression that they were personally slightly uncomfortable with what is going on in Iran, which is perhaps a glimmer of hope for the future. When I met them in the Pugin Room, they gave me a document, which I have with me today, called "Minorities in the Islamic Republic of Iran". It reads very well, as documents from Governments with poor human rights records tend to, and it says that Christians in Iran should

"Enjoy freedom in holding religious ceremonies and rites."

We know from what my hon. Friend the Member for Peterborough eloquently said that that is not the case at all.

It is right that we keep raising such matters and do not give up. History tells us that the cause of freedom shines through in the end. Whether one is in Islington, Bedfordshire or any other part of the world, such rights, as the hon. Member for Islington North said, are universal. We will continue to raise these cases for as long as it takes.

3.21 pm

Mike Gapes (Ilford South) (Lab/Co-op): During the previous Parliament, the Select Committee on Foreign Affairs went to Iran in autumn 2007, and in February 2008 it published a report that went into considerable detail on many issues, including the human rights situation. The Select Committee concluded that Iran is a complex and diverse society ruled by a theocratic regime. My impressions are of a young country that wants to engage with the rest of the world, but is prevented from doing so by the policies of the ruling clique. However, another problem is that there is not one ruling group; that touches on the point about how the authorities sometimes move in unexpected ways, because decisions are not taken in a way that is transparent from our point of view.

How we deal with a country such as Iran is a dilemma. On the one hand, we try to encourage a process of openness and reform, but on the other, we recognise its appalling behaviour, whether in systematically breaching obligations under the non-proliferation treaty; sponsoring terrorist actions in other countries; or defending the autocratic, repressive Syrian regime, as it is doing at the moment. We and the European Union had problems with the policy of so-called "constructive engagement", which has run into the sand. We saw the newly elected President Obama extending his hand to the Iranians when he came to office in early 2009 and being snubbed. How do we deal with a country of that kind?

Fabian Hamilton (Leeds North East) (Lab): I, too, was in the delegation to Iran in November 2007. Would my hon. Friend agree that we were given privileged access to, among other things, some of the dissenters? Following on from the point made by my hon. Friend the Member for Islington North (Jeremy Corbyn), there are quite a number of dissidents who stand up for the things that they believe in—a free, open, democratic and pluralist Iran—despite being oppressed day in, day out.

Mike Gapes: I accept my hon. Friend's point, but I think that we were not "given privileged access"; rather, our diplomats made it possible for us to engage with some people. It was a privilege for us, but those people were taking great risks in contacting us, and some of them are no longer in Iran and are not allowed to return, due to their activities at that time and because they would not be secure and safe.

I want to conclude by making a contrast. BBC journalists are not allowed to report in Iran, and the Iranian authorities make systematic efforts to jam international broadcasts and satellites, including the BBC World Service Persian television service, which has been very popular with the Iranian people. The regime tries very hard to keep from the people the truth about the atrocities in June 2009, when protestors against the rigged election were on the streets in huge numbers, and about what subsequently happened to protestors' families. Propaganda is broadcast to Iranian homes by state-controlled Press TV, including broadcasts from London of people who claim that the demonstration against tuition fees was parallel to the protests of June 2009.

Will the Minister say something about the anomaly of the BBC not being allowed in Iran and foreign broadcasts systematically being prevented from getting through to Iran—so far as the regime is able to prevent that—when we allow representatives of the Iranian Government, through their mouthpiece, Press TV, to broadcast propaganda about this country that completely distorts what is happening in the world? Given the current crisis, and the fact that diplomatic relations are broken, I find it difficult to see why we do not take steps to prevent Press TV from behaving in such a way. Would we have allowed Nazi media to broadcast from London in 1939? I ask that question as a serious point for us to think about for the future.

3.26 pm

Martin Horwood (Cheltenham) (LD): It is a pleasure to serve under your chairmanship, Dr McCrea.

Dr William McCrea (in the Chair): Order. Perhaps I might be helpful: the Front-Bench spokespeople have been flexible about time, so I will not cut off Back-Bench speakers at half-past 3, as I originally said I would.

Martin Horwood: I am now even more grateful to serve under your extremely lenient and enlightened chairmanship, Dr McCrea.

I congratulate the hon. Member for Liverpool, Riverside (Mrs Ellman) on choosing a subject that is even more topical today than she probably realised it would be

[Martin Horwood]

when she secured the debate. It is clear that the human rights situation has worsened since the contested elections in Iran in 2009. Amnesty International's recent report states:

> "The authorities maintained severe restrictions on freedom of expression, association and assembly. Sweeping controls on domestic and international media aimed at reducing Iranians' contact with the outside world were imposed. Individuals and groups risked arrest, torture and imprisonment if perceived as co-operating with human rights and foreign-based Persian-language media organizations. Political dissidents, women's and minority rights activists and other human rights defenders, lawyers, journalists and students were rounded up in mass and other arrests and hundreds were imprisoned. Torture and other ill-treatment of detainees were routine and committed with impunity. Women continued to face discrimination under the law and in practice. The authorities acknowledged 252 executions, but there were credible reports of more than 300 other executions."

It is almost inevitable that the true total is higher.

The situation for human rights defenders, lawyers, protestors, trade unionists and ethnic minorities seems to be getting worse. The regime's intolerance of not only dissenting political beliefs, but, as many hon. Members have pointed out, dissenting personal beliefs is increasingly clear: secular teachers at universities have been purged; Ahwazi Arabs have been sentenced to death for enmity to God; and Amnesty has drawn attention to the plight of Sunnis, dissident Shi'as, Christian converts and evangelists, and the Dervish and Sufi communities, who all suffer discrimination, arbitrary detention and attacks on community property.

By drawing attention to the plight of those of the Baha'i faith, the hon. Member for Liverpool, Riverside has shown that she is particularly well informed. The faith is not even recognised as a legitimate religion in Iran, so the hon. Member for Peterborough (Mr Jackson) was right to say that discrimination against the Baha'i is systematic and institutionalised. My small group of Baha'i constituents have shown me great hospitality in my constituency, and I promised them that I would take every opportunity to support the rights of the Baha'i in Iran. I am happy to fulfil that pledge today.

Jo Swinson (East Dunbartonshire) (LD): My hon. Friend reads out a devastating roll-call of abuses. However, the situation is even worse than he outlined. He mentioned 252 executions, but in 2011 that number included the execution of a juvenile. There are currently 143 juvenile offenders on death row in Iran, in complete defiance of international law.

Martin Horwood: My hon. Friend makes a devastating point in support of her argument.

The last faith group in Iran that I shall mention is the Jewish community, which is extremely long-established. There is a history of tolerance of the Jewish community in Iran, but there is increasing evidence that anti-Semitism is growing there, and that the small Jewish community there is being blamed for the actions of the Israeli Government. Those actions are beside the point; an unfair collective punishment is, in effect, being imposed.

I support the consistent calls from the United Kingdom Government and the European Union for an improvement in the human rights situation in Iran. Certainly, the decision by the EU in October to increase targeted sanctions on officials—those identified as responsible for particularly grave human rights abuses—was exactly right. The sanctions regime is interconnected with the nuclear programme in Iran, but targeted sanctions relating to human rights are every bit as justified, in my view, as those relating to the nuclear programme.

It is important, as the hon. Member for Islington North (Jeremy Corbyn) mentioned, that we do not pursue a path that leaves the regime no escape route and inadvertently strengthens the hands of the hard-liners in the regime. Iran is not North Korea. Iran is not a monolithic society; it has human rights defenders, courageous and independent-minded writers, filmmakers, journalists, bloggers, lawyers and young campaigners; it does, in effect, have opposition; and, above all, it has a young population that is quite aware of what has happened in the neighbouring Arab countries in the Arab spring, and is aware of what democracy really looks like—and what oppression looks like.

Of course, Iran has a tradition of vigorously contested elections, even though they are not democratic in the sense that we would recognise. That tradition of independent thought and resistance should be reinforced and supported wherever possible. That means that the exercise of soft power can have some effect, can still be deployed and is likely to have positive effects.

The jamming of international radio and TV broadcasts—I cannot remember which hon. Member mentioned that—is an important issue. I draw attention to it again and ask for ministerial support to raise it at the International Telecommunication Union world radio conference in Geneva, which begins on 23 January. The jamming of the BBC Persian TV service has resulted in that service being taken off the Hot Bird satellite, which is the main satellite for the region. That illegal censorship is, in effect, denying freedom of information and human rights to the Persian-speaking population. I welcome Ministers raising the profile of that issue in advance of the conference.

The Persian people, like their Arab neighbours, have the potential to tackle the human rights issue once and for all themselves, through their own resistance and traditions of championing freedom. We should do everything we can to support them.

3.33 pm

Kerry McCarthy (Bristol East) (Lab): It is a pleasure to serve under your chairmanship, Dr McCrea.

I, too, thank the hon. Member for Liverpool, Riverside (Mrs Ellman) for securing this debate. I do not intend to touch on the issues that she raised with regard to the Baha'i faith, because she did comprehensive justice to those and we will hear the Minister's response. We also heard from the hon. Members for Peterborough (Mr Jackson) and for South West Bedfordshire (Andrew Selous) about the plight of Christians. Both issues have been raised with me on a number of occasions by local campaigners, including members of the Baha'i faith and the Christian community in Bristol and on a wider scale.

I join hon. Members in paying tribute to the work of Christian Solidarity Worldwide, which was also mentioned earlier today during a debate on human rights in North Korea. CSW does sterling work campaigning there, as

well. It is testament to that organisation's powerful campaigning on this issue that so many hon. Members have mentioned it.

I was going to mention the BBC World Service Persian TV service being jammed, but that has already been mentioned by hon. Members. Will the Minister comment on what representations have been made? That has been going on for a couple of years, and since 2009 there has been almost consistent jamming of the service and only intermittent ability to broadcast. I should be grateful if the Minister said a few words about that.

It is 17 years since Iran last submitted a report to the UN human rights committee. As we have heard, the scale of human rights abuses in the country is vast. It is not just people of religious faith who have come under threat: political activists, women and ethnic and sexual minorities live under the real and ever-increasing threat of arbitrary arrest, torture and even death. The UN has called on the Iranian Government to engage with the international community in strengthening human rights safeguards and we fully support this approach.

A key area of concern is the deplorable attack on the British embassy in Tehran last November. The Iranian Government have blocked access to the embassy's website, which detailed Iran's human rights obligations and important information about how Iranians could travel to the UK. Given that the Government have now closed our embassy in Iran—a measure that Labour spokespeople supported—will the Minister say how they intend to continue to monitor human rights violations in the country? Does the Minister accept the concerns of some human rights campaigners that the embassy's closure will inevitably have an impact on the UK's ability to appeal to the Iranian Government regarding ongoing and future human rights abuses? Will he also say what impact the closure of the embassy will have on our work with civil society groups within Iran?

Although the attack on the embassy was utterly deplorable, we should not allow that to deter us from trying to find ways to continue to promote human rights and hold the Iranian Government to account for their abuse of those rights. The campaign to save Sakineh Mohammadi Ashtiani from being stoned to death has already been mentioned; that is a compelling example of how international pressure can have an effect on the regime. As my hon. Friend the Member for Islington North (Jeremy Corbyn) said, there are small signs that such things have an impact, even though they may not deliver overnight the ideal situation that we would like. The campaign to save her life continues. There is still a threat of death by hanging. It is important to try to mobilise international opinion on such issues.

Jeremy Corbyn: At some point, Iran will have to submit itself for an in-country review of human rights at the UN Human Rights Council. I do not know when that will be, but it cannot be that far away, because it is near the end of the first tranche of in-country reviews. That would be an ideal time for the concerns that hon. Members have raised here to be rearticulated by the British representative in Geneva.

Kerry McCarthy: It is important that Iran is subject to such intense international scrutiny.

The UN special rapporteurs have difficulty coming up with authoritative statistics. Figures show that 252 officially announced executions were carried out in 2011. However, Amnesty International, the International Campaign for Human Rights in Iran, and the UN have reported that more than 300 people were secretly executed in Iranian prisons in 2011. There is a strong suspicion that the real figure is probably far higher.

Among those secretly executed were women and a great number of foreign nationals, particularly from Afghanistan, the majority of whom were accused of drug trafficking offences. Testimony from relatives and other inmates reveals that the majority of the victims were not informed of their sentence until a few hours before the execution was carried out and that most executions occurred without families being given prior notice. Most deplorably, as has already been mentioned, Iran continues to execute children, who are widely reported to have been tortured into making confessions. It is suggested that 143 children remain on death row.

Jim Shannon: In respect of the figures that the hon. Lady mentioned, approximately 550 and 600 people were executed in Iran last year—and probably every year for a period of time. Iran is second only to China in that regard. Does its being number two in the world league of executions lead to concern?

Kerry McCarthy: We oppose the use of the death penalty in any circumstances, but the crucial starting point is that information on executions that are carried out should be transparent. We should know the figures for what people have been convicted of and how many executions have been carried out—half the executions I mentioned were carried out secretly, and most people would regard it as inappropriate that offences such as drugs trafficking should carry the death penalty. The issue is significant, and one on which we should continue to put pressure on the Iranian Government.

Mr Stewart Jackson: The hon. Lady is giving a good overview of the difficulties. Does she concede that, because of its role as a state sponsor of terrorism and other activity in the middle east, in particular in support of despotic regimes, Iran is in many ways exporting human rights abuses throughout the region?

Kerry McCarthy: There is certainly concern about the international role played by Iran. I do not want to stray into the territory of its foreign policy, particularly because Iran does not fall under my brief in the shadow foreign affairs team, but I share the hon. Gentleman's concern about the influence of the Iranian regime, in particular in the region, and the wrong message being sent to other regimes.

We have not debated in much detail today the impact of human rights abuses on women in the country. Officially, under article 20 of the Iranian constitution, there is equality between men and women. It states:

> "All citizens of the country, both men and women, equally enjoy the protection of law and enjoy all human, political, economic, social, and cultural rights, in conformity with Islamic criteria."

As a recent report by the UN confirms, however, Iranian law provides an insurmountable barrier to gender equality. To give a few examples, under Iranian law, a woman's testimony is worth only half a man's testimony; the age

[Kerry McCarthy]

of criminality starts at the age of nine for girls, whereas it is 15 for boys; mothers may never have guardianship of their children, even if they are widowed; and women do not have equal inheritance rights. For some time there has been growing concern about the crackdown on women who fail to adhere to the traditional dress code in public. For example, the number of women applying to university has declined since measures taken by the regime to enforce the dress code there.

Disturbingly, Iranian authorities blame women who have been raped for inducing their attackers to sexually assault them. In June 2011, 14 women were kidnapped and gang-raped, but the Government claimed that the women had brought the attack on themselves and that the manner in which they had been dressed was reason enough not to bring the attackers to justice. Recently, we have seen the imprisonment of women's rights activists who signed the "One Million Signatures" campaign to repeal discriminatory laws. One activist was sentenced to nine and a half years in jail for assembly and collusion against the regime and to a further two years for participating in a protest against laws discriminating against women. Another women's rights activist was given three and a half years in one of Iran's most notorious prisons in May 2011.

Three gay men are known to have been hanged in Iran in 2011, and two teenage boys, in a case that drew widespread international attention, were hanged in 2005 for the same offence. Some observers report that that is only the tip of the iceberg, because in many cases the families are not prepared to make public the fact that their relatives were executed under the sodomy laws.

I finish with a few words about the role of social media in Iran. We heard from the hon. Member for Cheltenham (Martin Horwood) about how a fairly well organised, well educated opposition movement exists in Iran, and how it is struggling to break free from the regime's grasp. According to Harvard university, the rate of growth of internet usage is higher in Iran than in any other country in the middle east. An estimated 700,000 active blogs come from the country. In 2009, the regime was quick to blame the use of the internet, social networking sites in particular, for the outbreak of protests following the disputed presidential election. Today, the regime does all it can to block access to websites promoting democratic change. For example, in September last year, a blogger received a nineteen-and-a-half year prison sentence for propaganda against the regime, and the UN's recent report on the state of human rights in Iran gives numerous examples of bloggers and journalists imprisoned for similar activities.

It has now been reported that internet cafés have been asked to record customers' online footprints and to install security cameras. As recently as Monday this week, the Iranian regime announced that it intends to introduce its own internet operating system, to enable it to block websites considered unsuitable and to monitor online activity. As we saw in other countries during the Arab spring, social media are incredibly important in spreading democratic ideas and in enabling people to mobilise opposition to human rights abuses and undemocratic practices. I urge the Minister, in his discussions on human rights in Iran, to stress that freedom of expression is an important human right, and that access to the internet and to social media is now a fundamental freedom that should be protected.

3.46 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Alistair Burt): I echo the sentiments of others, Dr McCrea, that it is a great pleasure to serve under your chairmanship. I thank all colleagues who have spoken, in the spirit of a collective Parliament speaking across party lines on matters about which we think similarly. I appreciate the challenge offered by one or two colleagues and will do my best to respond.

I congratulate the hon. Member for Liverpool, Riverside (Mrs Ellman)—an old friend in such matters over the years—on securing the debate and on how she raised the issues, from deep knowledge. She mentioned a series of individual cases, and I might touch on some during my remarks, although there were too many for me to comment on them all. She spoke for all of us when she hoped that such debates shone some light on the situation of the Baha'i community for instance, or others under pressure in Iran. As my hon. Friend the Member for Peterborough (Mr Jackson) said, we collectively act as a voice for the voiceless and for those minorities known and unknown to us, in what we do here. Colleagues have certainly lived up to such obligations.

The human rights situation in Iran continues to deteriorate sharply. The United Kingdom, together with the international community, continues to urge the Iranian regime to respect its human rights obligations and to improve the situation of its people. Our efforts and those of Iranian and global civil society ensure that the international spotlight remains on the serious human rights violations taking place in Iran today. Before I comment on some of the individual items that came up, let me refer to one or two general issues raised by colleagues.

Concern is not felt simply by those outside Iran, and I pay tribute to the bravery of those operating in Iran. In September last year, *The Times* ran a good seminar entitled "Imprisoned in Iran", to raise awareness of the plight of victims of human rights abuses. The event was well attended, raised a large number of issues and was addressed by my right hon. Friend the Secretary of State for Foreign and Commonwealth Affairs. Among his remarks, he said:

> "2011 has shown that demands for human dignity are irrepressible. Iranians should take solace from this... Iran is very different from its Arab neighbours. But the lessons of the Arab revolutions hold true for Iran just as they apply to repressive countries across the world. Simply refusing to address legitimate grievances about human rights or attempting to stamp them out will fail.
>
> While some governments across the region are waking up to this truth, Iran is moving in the opposite direction. The actions of the Iranian regime are holding Iran back, isolating its people and suffocating their immense potential, and preventing Iran from enjoying normal and productive relations with the outside world."

My right hon. Friend conveyed the sense of how well we understand the dynamics. Iran is a complex society, not a monolithic one. At one and the same time, we can condemn the activities of the regime and express support for the Iranian people. When relations with the regime have necessarily to be rather more restricted than they were, it is still possible to engage the Iranian people and

to have contacts with the regime itself. Colleagues said that they wanted the United Kingdom Government to be aware of that sentiment, so let me elaborate.

I thank the hon. Member for Bristol East (Kerry McCarthy) for her support and that of her Front-Bench colleagues in relation to the appalling attack on the embassy. When there is a problem and an embassy must be evacuated, neighbours step in to provide support. We are working actively to find a country that will take on the obligations and we are in negotiation, but until that is done, under the Lisbon treaty—if a Minister may mention that—EU partners can provide support for one another in such circumstances. We are grateful to other EU member nations that have been able to provide support.

Jeremy Corbyn: If a family of Iranian origin living in Britain wants to invite a family member to an occasion here, or the other way round, to which specific embassy in Iran should that family address its inquiries?

Alistair Burt: At the moment, they can take the matter up with any other EU embassy. In due course, one designated embassy will take on responsibility as a protecting power. That process must be negotiated not only with the country willing to take that on, but with Iran—that may explain the time that has been taken—but for the time being a partner EU nation can take on that request. I hope that that explanation is helpful.

Despite the invasion by regime-backed paramilitaries and the subsequent closure of the embassy, our wish to maintain strong support for and friendship with the Iranian people remains. We have always stated that our disagreement with Iran on human rights is with the Iranian leadership regime, not the people. Human rights are universal, and Iran's failure to meet its obligations is punishing and stifling the fulfilment of the wishes and aspirations of millions of people.

Dialogue continues, and the hon. Member for Liverpool, Riverside and others, including my hon. Friend the Member for Cheltenham (Martin Horwood), spoke about the importance of continuing a dialogue using social media and the like. Again, the Government are well aware of that. We have a good system of direct contact with people in Iran. We have a Farsi service and can communicate directly with people in Iran. They are savvy and open to the world; they know what is going on; and they know the limitations of their own regime. We are also aware of how we can continue to contact and work with them. We have a Farsi spokesperson to speak directly to the Iranian people, so colleagues may be absolutely sure that we will do that.

The embassy is not the only way in which to make representations to Tehran. The hon. Member for Liverpool, Riverside was right to raise the matter, because closure of the embassy makes that more difficult but not impossible. Our contacts through other channels and with other agencies will certainly be kept up. The balance is difficult to maintain, but we are endeavouring to do so.

The hon. Member for Islington North (Jeremy Corbyn) speaks with a deep background of the issues and raises the awkward and realistic ones that need to be raised. It is clear from our contact with Iran on the nuclear issue that an offer of negotiation is available. We urge Iran to respond to the latest letter from Catherine Ashton, the EU High Representative, because we will not be caught out by the Iranians saying that they have been backed into a corner. The opportunity exists for them to talk. We oppose the killing of civilians, and we want a negotiated solution to the problem. We are also alert to the fact that human rights issues in Iran may often be more powerful than the nuclear one, which is why we are concentrating on the matter today.

I shall respond to some of the specific issues raised. The hon. Member for Bristol East mentioned the situation of women in Iran. In 2010, we opposed Iranian membership of a specific UN women's committee because of Iran's discriminatory practices in relation to women. In June last year, my right hon. Friend the Foreign Secretary spoke out about the arrest of women activists and praised those whose conscientiousness and achievements should be celebrated but who are instead behind bars. We will continue to highlight and to encourage Iran to address gender discrimination in Iranian law.

Iran's excessive use of the death penalty is a major cause of concern. In 2011, reliable sources reported that about 650 people were executed, although because of the opacity of the Iranian judiciary and penal system, it is quite possible that the number is much higher. That maintains Iran's inauspicious record as the country witnessing the highest number of executions per capita in the world. Iran's use of the death penalty shows little regard for minimum international standards in the application of the death penalty, including a lack of fair trial and the execution of juveniles. We should not forget other brutal punishment methods, including stoning. Fourteen people still live under sentence of stoning.

On freedom of speech and assembly, last year Iran was described by the Committee to Protect Journalists as the

"biggest prison for journalists anywhere in the world".

It finished the year with more journalists and bloggers in prison than anywhere else, including China. The traditional forms of media in Iran are all run by the state, with satellite television banned and most foreign journalists denied entry. The hon. Member for Ilford South (Mike Gapes) raised that matter. Iran blocks more than 10 million websites and is pursuing a separate and highly censored Iranian internet, disconnecting Iran from the world wide web.

The hon. Gentleman referred to the contrast between Press TV and everything else. The contrast is this: we do not control and we do not censor through Government as such. The law does that. Press TV may be investigated by Ofcom. That is the appropriate regulatory body. That is how we do it here, not through Government diktat. That is the contrast between the two nations. Press TV must obey the laws of this country, but is handled independently, as we all know.

In 2011, we have again seen brutal crackdowns by the Iranian state. During the first one in February, several people were killed by the security forces. In April, more than 30 people reportedly died during protests in Ahwaz in southern Iran. In August, security forces attacked people who were protesting peacefully against the neglect of a natural salt lake in Azerbaijan province in northern Iran, and several deaths were reported. The range of activities that a repressive regime may clamp down on is extensive.

[Alistair Burt]

The majority of colleagues wanted to raise the issue of minorities, including the Baha'i and Christian communities. In 2011, we saw increasing patterns of violence and intimidation against minorities. The authorities have continued to crack down on Kurdish and Baluchi groups, as well as those mentioned today. Religious minorities have been subject to arrest and intimidation, as we have heard. Christians and Baha'is in particularly have suffered harassment, and I am grateful to my hon. Friends the Members for Peterborough (Mr Jackson) and for South West Bedfordshire (Andrew Selous) for their remarks. I echo the tribute to Christian Solidarity Worldwide.

We have spoken in the House about both issues a number of times, and the Government have made representations on them. I have met the Baha'i community in the United Kingdom, and I made representations direct to Iranian representatives when they were here. We continue to raise the matter, and we have done so also in relation to Christian persecution, about which colleagues spoke movingly. We particularly deplore the pressure that has been put on the Baha'i community in Iran, and the attacks on the Baha'i Institute of Higher Education, and its closure. We will continue to raise all those issues.

A general point about the protection of religious minorities is that protection of an individual minority must be done in company with all. In our experience, those who oppress one minority usually oppress others, and it is collectively safer if we raise the issue on behalf of all—the lesbian, gay, bisexual and transgender community, women, Christian minorities, Muslim sect minorities and Baha'is. If we seek to protect the rights of all, we are doing the best that we can.

On UK action at the UN and through the Human Rights Council, colleagues can be assured that we press other countries to support resolutions that we have co-sponsored. The result of a vote in December showed how effective lobbying had been because the margin was the largest ever in relation to a country-specific resolution against Iran. That showed how successful some of the work had been, and we will continue with that. The next periodic review when Iran must deal with the issues will be in 2014, and we will press at the council in March, as we do at every council, for Iran to deal with the record against it that colleagues have spoken about. There is no doubt that the issues raised here will continue to be raised by colleagues, but they may rest assured that their concerns are echoed by the Government. We will continue to stand up for the rights of those who are oppressed in Iran.

Sergei Magnitsky

4 pm

Mr Denis MacShane (Rotherham) (Lab): It is a great pleasure to initiate this debate under your chairmanship, Dr McCrea. Today I want to deal with the tragedy of a lawyer who worked closely with and for a British company—and its British chairman who is present in Westminster Hall—and who was done to death under the most atrocious circumstances. If a British lawyer working for an overseas firm had been arrested and so mistreated in the UK, all hell would break loose. This tragedy, however, happened in today's Russia, and my charge is that the British Government have been singularly lax in dealing with the case, and lacking in adequate and necessary measures, not only to obtain justice but to send a clear message that putting to death a lawyer who represents British interests is not cost free. I do not claim a new policy of "advocatus Britannicus sum", but the idea of civilisation and the rule of law, as well as the clear rules in the European convention on human rights to which Russia is a signatory, provide a special place for lawyers to represent their clients without facing prosecution or persecution unto death.

The details of the tragic death of Sergei Magnitsky are somewhat well known. Mr Magnitsky was the Moscow lawyer of British businessman William Browder. Mr Browder was born American and is the grandson of Earl Browder who was leader of the Communist party in the United States during the 1930s until he fell out with Stalin in 1945. Earl Browder's grandson decided that capitalism was a better bet than communism, and over a decade beginning in the 1990s he built up the largest investment fund in Russia with billions of dollars of assets. However, not all went well for young Browder when he started publicly complaining about endemic corruption in Russian state companies, and in 2006, President Putin expelled him from Russia as a "threat to national security". I would like to recommend to the House the remarkable documentary by Ms Norma Percy on the early Putin years. It will be shown on BBC 2 next Thursday and it illustrates the interface between politics, state bureaucracy and business.

Once the Putin regime decides that it does not like a business leader, it does not operate in half measures, and when it decides to turn on someone, it does so in spectacular fashion. After Browder's expulsion, Putin's tax police raided his offices in Moscow, seized all his company stamps and seals and stole his investment holding companies. Browder hired a bright young Russian lawyer, Sergei Magnitsky, to try to stop this continuing state-sanctioned crime. Magnitsky investigated all the police actions and discovered that Browder's companies had not only been stolen but had subsequently been used by the tax police to fraudulently refund from Government coffers the $230 million in taxes that Browder's firm had paid in the previous year.

Magnitsky did what any lawyer would do on behalf of his client: he filed criminal complaints and testified on the involvement of the tax police in that enormous theft. That was a big mistake. He was subsequently arrested by the same tax police officers against whom he had testified, and blamed for the fraud himself. The scams that the Putinocracy arranges are not just for a few high-up people—everyone gets a cut. To shut him

up, Magnitsky was flung into one of the roughest prisons in Russia and essentially held a hostage. Because the Russian state could not get at Mr Browder, who, as a British citizen was now safe in London with his family, they went for his lawyer to send a signal to other firms operating in Russia saying that when the tax police—or anyone else demanding a cut—knock at the door, co-operation is wiser than insisting on the rule of law.

Sergei Magnitsky was brutally treated in prison. He was tortured for 358 days by sleep deprivation, freezing temperatures, the withholding of food and other torments left over from the Stalin era of torturing people whom the Kremlin did not like. After six months of such treatment he became extremely sick and was systematically denied any medical treatment. Eventually, Magnitsky's beleaguered body began to give way and his condition became critical. Instead of sending him to the emergency room, his jailers put him in an isolation cell and allowed eight riot guards with rubber batons to beat him until he was dead. In November 2009, he was found lying in a pool of his own urine, dead on the cell floor at the age of 37.

Since then, the Russian Government have tried to cover up the cause of Magnitsky's death, and a network of named officials in the tax, police, public prosecution and prison departments of the Russian state has been identified as part of that cover-up. Many of those involved have bought property abroad at prices that would be impossible on their declared salaries.

None of those facts are secret and they have been reported by journalists in Moscow, as have the details and names of those involved. The names have been listed by US Senators, Congressmen and Congresswomen, and by parliamentarians in some EU member states and in the European Parliament. The Magnitsky affair has also been the subject of a Council of Europe report. I, together with a number of right hon. and hon. Members, as well as Peers, have asked questions in Parliament and sought to highlight this assault on a respected British business, and show the terrible insight that the Magnitsky death gives us into how Russia operates. I had the luck to secure this debate, but that could have happened to any number of interested colleagues who support me on this affair, some of whom are present in the Chamber.

Vasily Aleksanyan was another young lawyer, and former general counsel to Yukos. In 2006, Mr Aleksanyan was arrested as part of the persecution of those involved in Yukos. He rapidly developed serious health conditions due to AIDS-related illnesses, but was denied antiretroviral treatment or chemotherapy in prison. In 2008, the European Court of Human Rights intervened and ordered Russian authorities to release Aleksanyan. The damage done to his body during his detention was too great, however, and he died last year as a direct result of the denial of treatment in jail.

That is the Magnitsky story. We must now turn to the Whitehall story and ask the Minister why the Foreign Office and Home Office have been so lax in taking up the Magnitsky case, and unwilling to take action against the named officials who were involved in theft via the tax system and the crime that Magnitsky sought to reveal. Will the Minister explain why some of the principals involved have been allowed to enter the UK without let or hindrance? Lieutenant Colonel Artem Kuznetsov from the Russian Interior Ministry was named in Magnitsky's testimony as having orchestrated the theft of the Hermitage fund's investment companies. Kuznetsov was also accused of perpetrating the $230 million tax fraud, as well as Magnitsky's false arrest and persecution in detention. Public records—let me stress that—show that shortly after the $230 million was paid from the Russian Treasury, Kuznetsov's family acquired $3 million worth of high-end apartments in Moscow, land plots outside the city and several luxury cars. Kuznetsov travelled to the UK twice in 2006.

Major Pavel Karpov, also from the Russian Interior Ministry, was named by Magnitsky as a close accomplice of Kuznetsov. Karpov initiated the criminal case against Mr Magnitsky that was used as a pretext for his false arrest. Public records in Russia—again, I stress that—show that Karpov's family acquired $1.3 million in real estate assets and luxury cars following the completion of the fraud. Mr Karpov travelled to the UK four times between 2006 and 2007.

Dmitry Klyuev is the owner of Universal Savings bank through which the $230 million proceeds of the fraud were laundered. He was previously involved in a number of other tax-refund frauds, and in 2006 was convicted of a $1.6 billion fraud relating to the attempted theft of shares from Mikhailovsky GOK, a Russian iron ore company. Mr Klyuev also travelled to the United Kingdom at least five times in 2008. As I have said, all these names are on the record in Russia and on Capitol hill in Washington.

The following Government officials also played a role in the tax fraud that Magnitsky uncovered, his subsequent arrest and imprisonment, the persecution of Hermitage lawyers and executives, Magnitsky's continued detention, the denial of medical care, torture, the denial of fair hearings, and finally his death in custody and the subsequent cover up: from the courts service, Judge Yelena Stashina, Judge Alexei Krivoruchko, Olga Egorova; from the Interior Ministry, Mr Oleg Silchenko, Oleg Urzhumtsev, Alexei Anichin, Oleg Logunov, Boris Kibis, General Major Tatiana Gerasimova; from the FSB—the Russian secret service and the successor to the KGB—Mr Viktor Voronin; from the tax offices, Olga Stepanova and Elena Khimina; from the prison services, Dmitri Komnov, Fikhet Tagiev and Yuri Kalinin; and from the General Prosecutor's Office, Andrey Pechegin.

I ask the Minister to agree that those people should now be banned from entering the UK and their names circulated via Interpol and Europol. We need to sharpen up our diplomatic tools by declaring that the functionaries linked to Magnitsky's death are unwelcome as visitors in Britain, thus copying what the US State Department has done under pressure from the US Congress.

Mr Dominic Raab (Esher and Walton) (Con) *rose—*

Chris Bryant (Rhondda) (Lab) *rose—*

Mr MacShane: I give way first to my hon. Friend.

Chris Bryant: The hon. Gentleman and I are probably about to say exactly the same thing. Does my right hon. Friend agree that there is not much point in just banning these people secretly behind closed doors? It is important that we say publicly that they are not welcome in this country.

Mr MacShane: I think that I may just have hinted at that.

Mr Raab: I congratulate the right hon. Gentleman on securing the debate. Does he agree that in addition to highlighting the tragic case before us, it is time for a British equivalent of the US Sergei Magnitsky Rule of Law Accountability Act, which would hold to account more generically foreign officials responsible for grotesque human rights abuses, through travel bans and asset freezes, and also that, as in the US, this a matter not just for the Executive, but for Members of this House and for Parliament?

Mr MacShane: I would support that. Perhaps some right hon. and hon. Members present might combine to ask the Backbench Business Committee for a longer debate, which might allow a slight pause for breath and more development of some of these themes. In particular, it would show the Russian authorities that this is a cross-party affair, with support from a considerable number of Members of both Houses.

Mr Robert Buckland (South Swindon) (Con): I just want to add Canada to the list. It has also passed legislation in similar terms to the United States, so it is not just one country but many countries taking a strong stand against these appalling acts.

Mr MacShane: Poland and, I believe, the Netherlands have done so as well, but the addition of Canada, which is a great beacon of democracy and a Commonwealth country, is most welcome.

Yes, I believe that we should be doing what has been set out. We should not need to have a debate, because I hope that when the Minister replies, he will tell us that he fully accepts that the Foreign and Commonwealth Office will put a statement, a note, in the Library tomorrow, with those names on it, saying that they are not welcome in the UK, and will pass the names on to Europol and Interpol. So far, the FCO has resisted that idea and has constantly sought to downplay the Magnitsky affair. The FCO position or, more accurately, the Whitehall position has been to shelter behind Russian bureaucracy.

On 15 November 2011, the Minister for Immigration finally replied to a letter that I sent him in August on the idea of a visa ban. That was a very discourteous gap between my letter and his reply. He wrote:

"The Russian Presidential Council on Human Rights presented to President Medvedev its report on Mr Magnitsky's arrest and treatment"

and the

"Minister of the Interior has announced that its own internal investigation has not found any evidence of abuses by their officials".

Well, that is a surprise—a bureaucracy defends its own people. Nevertheless,

"the Investigative Committee of the Russian Federation chaired by Alexander Bastrykin"

would report by 24 November. To my knowledge, no such report was issued, and it is time for the FCO and Home Office to stop parroting Russian excuses for inaction and instead to follow the example of the United States, Canada and Poland and make it clear that those who stole the money that Magnitsky was investigating and then colluded in his death should not be given a permanent status of impunity by Whitehall fiat.

In an earlier reply to a parliamentary question from me on 13 July 2011, the Minister for Immigration—I welcome the Under-Secretary from the Foreign and Commonwealth Office, but this is as much a matter for the Home Office as it is for the FCO—confirmed the following:

"The Secretary of State for the Home Department...does have the power to exclude foreign nationals whose presence in the UK she judges would not be conducive to the public good",

but he added that

"the duty of confidentiality means that the Government are unable to discuss the details of individual immigration cases."—[*Official Report*, 13 July 2011; Vol. 531, c. 398W.]

I am sorry, but that will not do and it is not true. Her Majesty's Government have regularly published the names of those to whom they deny visa entry. They include or included the TV cook Martha Stewart, the actor George Raft, the Scientologist L. Ron Hubbard and even a Nobel laureate, the Chilean poet Pablo Neruda, who wrote:

"Death is the stone into which our oblivion hardens."

It is the wish of the Russian authorities that Magnitsky's death hardens into oblivion, but as another great writer who lived under communism, Milan Kundera, wrote:

"The struggle of man against power is the struggle of memory against forgetting."

Let us not hear from the Minister today that the Government cannot publish the names of the people whom they ban. We should not allow Magnitsky to be forgotten. If the Home Office can publicly ban a cook, an actor, a loopy and a poet, surely it can ban those Russian officials named as associates in this massive theft, then the arrest and ill- treatment to the point of death of a lawyer representing a British citizen and his company.

Modern Russian apparatchiks like to visit, buy flats in and educate their children in London. If we name and shame and announce that they will lose those privileges if they break the law and allow a lawyer representing a British firm to die in agony for having defended his client's interest, diplomatic pressure will be focused and sharp and will send a clear state-to-state signal that Russia cannot live above the law.

This is not just about Russia, however. We need to find ways of sending signals to mid-level officials in other authoritarian regimes that when they break the law, the doors of Britain are not easily open to them. A new approach is required to create a new tool of democratic diplomacy—namely, the precisely targeted travel ban that is made public so that all law-abiding state officials in Russia and elsewhere can see that corruption and collusion in murder are no longer crimes without sanction. That is what more and more decent Russian citizens want.

A further signal could be sent. Just as Mr Putin is not welcome on the streets of Moscow today, Britain should say that he is not welcome at the opening ceremonies of the London Olympics. In 1980, Mrs Thatcher had the guts to say no to a formal British endorsement of the Moscow Olympics after the Soviet invasion of Afghanistan. If the Prime Minister wants to emulate the Iron Lady,

he should say no to Mr Putin, who will use the London Olympics and the winter Olympics in two years' time as events for self-promotion.

Of the 20 years since the end of communism, Russia spent the first decade being plundered by oligarchs and the second decade being robbed by state functionaries up to the highest level. It is time that Russia became a normal rule-of-law nation and its tax collectors levied taxes for the good of the people, not their own offshore bank accounts.

4.17 pm

The Parliamentary Under-Secretary of State for Foreign and Commonwealth Affairs (Mr Henry Bellingham): I congratulate the right hon. Member for Rotherham (Mr MacShane) on securing this very important debate. The high-profile case of Sergei Magnitsky is of serious concern to Her Majesty's Government and one in which there is a clear need for Russia to act. As the right hon. Gentleman made clear, Mr Magnitsky, a Russian lawyer, went into pre-trial detention and died in state custody nearly a year later. Before his arrest, he had been working to uncover an alleged tax fraud against the Russian state by certain Russian law enforcement officials, a number of whom are alleged to have been involved in the investigation and detention of Mr Magnitsky.

In July 2011, the Russian presidential council on human rights published a report that found that Mr Magnitsky had been denied medical treatment and had been beaten while in detention, which directly contributed to his death, yet no one has been held to account by the Russian authorities. It is deeply disappointing that the Russian investigative committee appears to have made little progress. The publication of its findings in relation to Magnitsky's death was postponed a number of times during 2011. They are currently due to be issued on 24 January. It is vital that the Russian authorities complete a thorough and transparent investigation into his death without further delay, as the case has wider implications for the rule of law and respect for human rights in Russia.

Jo Swinson (East Dunbartonshire) (LD): What confidence does the Minister have that the Russian authorities will be able to complete that kind of transparent, thorough and fair investigation in this case?

Mr Bellingham: I am grateful to my hon. Friend for intervening. Of course, it is disappointing that the Russian investigative committee has made so little progress. It is also very disappointing that its report has been postponed on three occasions, but we are putting on all the pressure that we can and understand that the report will be issued on 24 January. We will keep up the pressure and look forward to publication on that date.

On HMG action, we have made our concerns very clear to the Russian Government. I should like to point out to the right hon. Member for Rotherham that the Prime Minister discussed this case with the President during his visit to Moscow in September, when he also outlined the need for confidence in the rule of law in Russia. This case is an unfortunate reminder that Mr Magnitsky's death in pre-trial detention is not an isolated incident in Russia: approximately 50 to 60 people die in pre-trial detention facilities annually.

Our embassy in Moscow is providing financial support to the important work of the Social Partnership Foundation—a human rights non-governmental organisation—to look at the underlying causes of such cases and to help prevent further cases occurring.

The right hon. Gentleman referred to the Government subjecting Russian officials allegedly implicated in Magnitsky's death to punitive measures in the form of visa bans. He will be aware that the immigration rules enable us to refuse a visa where information on an individual's character, conduct or associations makes entry into the UK undesirable. However, the UK has a long established global practice, which has been followed by all recent Governments, including the one of which he was a member, of not commenting routinely on individual cases.

The right hon. Gentleman named a number of individuals whom he says were involved in the case. The Home Office and I will look into the cases of those individuals and will write to the right hon. Gentleman in due course.

Chris Bryant: I hope the word "routinely" was important in that sentence. The Minister for Immigration has, on several occasions, done a nudge, nudge, wink, wink to me to say, "Look, these people aren't going to be coming into the country." Frankly, though, we need more than that. If the Minister was prepared to provide a list of people who would not be welcome in this country, that would be a significant step forward.

Mr Bellingham: I am grateful to the hon. Gentleman for making that point. It is not something on which I can give a guarantee this afternoon, but we will be in a better position to do so once the investigative committee has issued its report on 24 January.

Dr Julian Lewis (New Forest East) (Con): There is nothing routine about a murder closely connected with a British enterprise. Although Mr Magnitsky was not a British citizen, this case really is on a par with the Litvinenko murder. The reason why these things keep happening is well known: these people are crossing the Russian state. If the Russian state does not want to be seen as a gangster, surely it should stop killing journalists, lawyers and dissidents.

Mr Bellingham: My hon. Friend makes a powerful point in his own inimitable way. I would not want anyone to have the impression that I was describing this case as routine, because obviously it is not. What I said was that the Government have a policy of not commenting routinely on individual cases. Obviously, this is an incredibly serious case, and I take on board what he has said.

On visa action taken by other countries, we are aware of media reports that the US has imposed sanctions on implicated officials and added them to a visa application watch list. Although Bills have been introduced in the US Congress and some other countries' Parliaments, such as in the Netherlands and Canada, and motions have been passed in support of visa bans against Russian officials allegedly implicated in Mr Magnitsky's death, we are not aware that those states have taken such action.

What we ultimately want—as all Members will agree, I believe—is the Russian Government to take the initiative in ensuring that justice is achieved in this case and in

[Mr Bellingham]

putting in place measures to prevent further such cases occurring. To that end, we are urging the Russian Government to conduct a full and transparent investigation into Mr Magnitsky's death, and we continue to raise the case at the highest levels.

Fabian Hamilton (Leeds North East) (Lab): I am grateful to the Minister for what he says about the action that the Foreign Office is taking and to my right hon. Friend the Member for Rotherham (Mr MacShane) for raising the issue in the first place. This case is of the utmost importance. Will the Minister act in concert with his European colleagues, so that all the nations of the European Union can show their anger at the way in which this lawyer has been treated and at the abuse and violation of human rights in Russia today?

Mr Bellingham: I will certainly make sure that the hon. Gentleman's strong comments are passed on to the Minister for Europe, so that he will speak to his European counterparts about this case at the next appropriate Council. He has already raised it with them, and similar action has been taken by other European countries. In the light of what the hon. Gentleman says, we will ensure that the case is raised again.

I should like to say a few words about the wider situation in Russia. The FCO's annual human rights report makes it clear that we remain concerned about the rights afforded to Russian citizens and the strength of democracy. The Russian Government's support for human rights often appears ambivalent. As President Medvedev has acknowledged, there is a pressing need to strengthen the rule of law in Russia. Legislative changes to reduce corruption represent a tentative step in the right direction. Reports of grave human rights abuses in the north Caucasus continue, and Russian human rights defenders and journalists remain at high risk. In some cases, though, we have seen some minor positive developments.

The state Duma parliamentary elections have been the key recent test of Russia's democratic credentials. The conduct of those elections confirmed our concerns about human rights and democracy in Russia. Before the elections, NGOs and media organisations were routinely harassed. The Organisation for Security and Co-operation in Europe was permitted to observe the elections. The Office for Democratic Institutions and Human Rights concluded that they had been

"slanted in favour of the ruling party".

As my right hon. Friend the Minister for Europe said on 6 December, those conclusions underline the need for alleged electoral violations to be investigated rapidly and transparently and to ensure that all democratic institutions, including the media, civil society and opposition political groups, can operate freely in Russia.

Malcolm Bruce (Gordon) (LD): I apologise for being slightly late. I very much appreciate this debate. Does the Minister acknowledge that it is not just the conduct of the elections but the whole functioning of democracy in Russia that prevents anyone who could challenge the system from getting nominated, never mind elected, as a presidential candidate? Will Her Majesty's Government not make it clear that pluralism requires a much more open access to democracy than is currently available in Russia?

Mr Bellingham: I am grateful to my right hon. Friend for making that strong point. In light of what he says, I can tell him that our wider work on human rights in Russia focuses on a number of key areas: democratic rights, including supporting free and fair elections, freedom of expression and freedom of the media; support for those seeking to resolve conflict in the north Caucasus; support for those seeking to increase monitoring, reporting and prosecution of human rights abuses; better support and protection for human rights defenders; support for those seeking a stronger rule of law with improved access to justice; and making progress towards greater equality and reduced discrimination.

Jo Swinson: I thank the Minister for giving way; he is being very generous. In early 2010, I visited Chechnya with Lord Judd to investigate the human rights situation. Will the Minister, in his discussions with Russian colleagues and his ministerial colleagues, impress upon the Russian Government that this is also an issue of security? It was clear from our trip to Chechnya that, without the proper upholding of human rights, the security situation and the terrorism issues faced there would not be resolved.

Mr Bellingham: I thank my hon. Friend for making that point. I agree with what she says, and we will ensure that that is taken up at the highest level.

In addition to the Magnitsky case, it is important that the Russian Government fully investigate the unresolved murders of journalists and human rights defenders. We remain concerned at the lack of progress in prosecuting those responsible for the 2009 murder of Natalya Estemirova. The murder of Russian journalist Anna Politkovskaya remains one of the most worrying cases of recent years. More than five years after her tragic death, the case still remains to be concluded. In October, Russian prosecutors announced new charges against suspects allegedly involved in organising her murder. The Prime Minister raised this case with President Medvedev during his recent visit to Moscow, calling on the Russian authorities to take further steps to bring all perpetrators to justice. There is a low success rate in investigating and prosecuting these crimes, thus perpetuating the perception of impunity, which undermines freedom of expression and human rights in Russia.

Mr Raab: I thank the Minister for giving way again. He is eloquently making the case for the kind of legislation that the US wants to enact. He mentioned the Bill that has gone through Congress. It looks likely to become law and is unlikely to be vetoed by the President. Given the evidence that he has adduced here before us today, would he be open to that kind of Bill being introduced in the House of Commons?

Mr Bellingham: If that Bill gets through Congress, we will certainly look at it very carefully. We will look at whether there are any appropriate lessons for this country, and we will consult parliamentary colleagues from all parts of the House. I cannot give any guarantees, but we need to watch very carefully to see whether the Bill becomes law in the US.

In conclusion, I hope that what I have covered today illustrates the Government's concern and action, both on the wider issue of human rights in Russia and on the specific case of ensuring justice for Sergei Magnitsky. As my right hon. Friend the Foreign Secretary said:

"Human rights are part of our national DNA and will be woven deeply into the decision-making processes of our foreign policy at every stage".

That applies to our dealings with Russia as much as with any country. We will continue to engage Russia on human rights through bilateral contacts, including our annual human rights dialogue, which will take place in London this year—in the summer, we hope—as well as through multilateral channels, such as the EU, the UN and the Council of Europe.

I thank the right hon. Member for Rotherham for bringing Parliament's attention to this issue and giving me the chance to explain the Government's position. We will continue to push for the respect of human rights and the rule of law in Russia and achieving justice for Sergei Magnitsky.

4.29 pm

Sitting suspended for a Division in the House.

Technology (Primary Schools)

4.43 pm

John Pugh (Southport) (LD): I begin by apologising to the Minister of State, Department for Education, the hon. Member for Bognor Regis and Littlehampton (Mr Gibb) and his Parliamentary Private Secretary, the hon. Member for Grantham and Stamford (Nick Boles), because they have had to listen twice in a week to my meanderings on the curriculum. I also apologise the people who have advised me on this debate and might be reading it in *Hansard*, because I have to confess that on this subject I am relatively untutored. However, I do speak with passion and enthusiasm, which might to some extent compensate for my lack of precise knowledge.

It is sometimes helpful to put things in an autobiographical context. I am the victim, as many people are, of the traditional British approach to design and technology. Like you, Dr McCrea, in primary school I did craft, the rationale for which was always slightly fuzzy, the practice somewhat varied, and the results certainly diverse. In my case, the only achievement of note that I can remember was a papier-mâché giraffe that my mother loyally put on the mantelpiece for a few years until, presumably, it toppled off. Then one went on to grammar school, and although some traditional craft skills were always put in one's way in the early years, if one was considered to be relatively clever one went off and did Latin and Greek. Pupils continued with practical subjects only if, in some sense, they were not making the grade.

I was brought up in Kent, where there were three categories of school: grammar school for those people who passed the 11-plus; secondary modern schools for those who failed it; and technical schools for those who were somewhere in the middle. The theory was, essentially, that pupils did the hands-on, practical stuff if they were not academic, even if they were highly numerate. It was rather like the Confucian model of education that they had in China in centuries gone by, which had a disdain of things that had a technical aspect to them. Consequently, we ended up with the problem we are all familiar with, and about which I will not go into any depth, which is that we have a dearth of engineers in the country, a decline in manufacturing, and even a loss of some basic craftsmanship at many levels. That is not entirely due to the school system; it has something to do with how the workplace has reacted to apprenticeships and financial pressures. However, the school system certainly plays a part, and it differs markedly from the German one, in which there has been a better element of technical education for some time.

We have woken up to this mistake, but to some extent we still see technology as an escape route from serious academic study for the less able—something that is bolted on to or plugged into the curriculum as we get towards the school-leaving years. There are very adverse consequences of that line of thought. Fundamentally, we fail to recognise that human intelligence is very diverse, and that people have enormous undiscovered potential. Even people who have been academically very successful—those who, in the schools' terms, are successes—have latent abilities that they have not had the chance to explore. We deprive children, including

[John Pugh]

the academically able, of the challenge that technology presents, and to some extent we allow the academically able to consider it not a failure to be bad at technical matters. There are people, certainly of my acquaintance, who would be appalled at some minor slip of grammar, but who openly own up to not being able to put on a plug or do anything of practical utility at all.

More contentiously—this is the more difficult bit of what I want to say—we alienate some children, particularly some boys, from the education process, or if we do not alienate them we do not adequately engage them. I was reading recently the biography of Steve Jobs, who was a disruptive and singularly uninspired pupil in the early years of his education.

Rehman Chishti (Gillingham and Rainham) (Con): I congratulate the hon. Gentleman on raising this important matter. I want to make a point about aspiration, and about inspiring boys and girls. It comes down to the fact that the curriculum provides the opportunity under aspects of science for the creative teaching of design and technology. For example, Byron primary school in my constituency was the winner of the 2007 design and technology competition for schools. It built go-karts, with the help of BAE Systems, and raced them competitively—so there was competitiveness in there, and working with outside technology departments as well. It all came down to having excellent teachers and to using the curriculum to provide creativity. That is a clear example of how the curriculum can provide opportunities, if they are taken to a greater extent, to inspire people in technology. Byron school has excellent teachers, including the head, Jim Fernie.

John Pugh: I thank the hon. Gentleman very much for that intervention, because there is a need to pay tribute to the awful lot of very good practice in this area. I have been inundated with exemplars of schools that have done astounding things under the banner of design and technology.

The point I wanted to make with my reference to Steve Jobs was that technology can be a catalyst in a child's education, in the early years. In pre-school education, that should be a fairly familiar concept to us, because we recognise that as well as introducing little children to books to encourage their development, there is also a need to introduce them to constructive toys and toys out of which they can make constructs. Technology, almost from the word go, plays an appreciable part in a child's general cerebral and educational development.

A point that eluded me before I started looking further into the subject—a point that is not particularly well understood—is that technology is a catalyst. It not only gets people into technology, but gets them comfortable with areas of education with which they had previously not been comfortable—mathematics and literacy, for example—because the design elements of the design and technology curriculum have a real drive on presentational as well as constructive skills. Many additional gains, aside from pure technological ability, are driven by good design and technology education. There are many excellent examples of that, including those mentioned by the hon. Member for Gillingham and Rainham (Rehman Chishti).

It is not my supposition that every child will be technically gifted in the same technologies. There is a huge diversity of potential and of things to be good at, which is why we want the curriculum to be as varied and imaginative as possible. I do not think that that is disputed; there is wholesale agreement right across the board that that is a worthy ambition—one that I think the Minister would be perfectly happy to own and espouse.

The difficult thing is the technical question. Although we can all agree that fulfilling every child's potential and stimulating their talents is a laudable ambition, there is an interesting debate about how to do that, and what the Government and the forthcoming curriculum review can do to encourage it. There is excellence in technical education, but it is fair to say that although there is a constant stream of improvement in both primary and secondary schools, there is also some patchy performance. Errors can be made. If we look at information and communications technology teaching, which the Secretary of State touched on today, we see that quite a few significant errors have been made in how ICT is used in the classroom. I will return to that in a minute or two.

We must also acknowledge that, however good design and technology might be, there are other equally good things, such as numeracy, literacy, imagination, music and all sorts of other things, that the Government wish to encourage and schools wish to incorporate in their curriculum. A further dimension to the problem is that even if we have the most laudable ambitions, we still need a work force who are trained to implement them effectively. Of course, the poor old primary school teacher is meant to be a jack of all trades and to be equally good at an astounding number of things, which is a tough call.

In passing, looking at the wider implications, some of the greatest successes in technical development often take place outside the school curriculum, rather than in the classroom. Reading about the development of the IT industry in California, we find that boys leaving school and going off to things such as the Homebrew Computer Club—Bill Gates and Steve Jobs were among them—made significant developments that ultimately had spin-offs for the whole culture of California. That was not necessarily in the curriculum, and it could not necessarily have been easily incorporated.

The design and technology sector has genuine fears of the educational world. The principal fear is that, in slimming down the curriculum, technology may suffer. In other words, if we reduce the demands of the national curriculum in total, which most people would support, technology may drop out or be put on the back burner. Some people argue that the absence of a standard assessment test or rigorous measurement will not do much to improve the overall quality of the subject. There are complementary and opposed fears that heavy-handed state intervention or diktat will have perverse effects, particularly if, as we all believe, design and technology is a blend of both technical skills and genuine creativity.

There are certain dilemmas involved in ensuring that present good practice is further built on and developed. Ofsted has recorded significant progress in recent years,

but I worry that that might be lost in curriculum revisions simply because it is not fully assessed or seen to be assessed.

I turn to two other connected issues. One is the speech by the Secretary of State today on the state of the ICT curriculum. I entirely echo his sentiments. In a *Guardian* article I wrote after tabling an early-day motion, I said:

"we will end up with second-rate education for pupils, who will have no understanding about how IT is developed or is likely to progress. The future of IT in business in the UK is not going to be just about using PowerPoint presentations."

Pupils must

"become innovators of software, rather than people who just punch data into keyboards."

That article was published in 2007, so I like to think that I am five years ahead of my time.

Mr Graham Stuart (Beverley and Holderness) (Con): The picture that my hon. Friend paints is an accurate and grim one. There are 100,000 IT vacancies in this country at the moment, and the people are not there to fill those posts, because the number of people taking computer science courses at university has halved since the year 2000, and the number of drop-outs has risen. That is because the basic science in schools is not being taught, which is why I think the Secretary of State's speech today is timely, if not long overdue, as my hon. Friend would say.

John Pugh: I certainly subscribe to the general view that a crash-course in Boolean algebra is probably more useful to the future of IT in this country than learning how to use Word or any other Microsoft product, but the insistence that ICT and technology education are about using applications shows how sometimes, when the state or organisations associated with it weigh in, they can get things wrong.

A lot of what we have is in part, although not entirely, a consequence of distinctly poor procurement, encouraged by the defunct Becta—Bringing Educational Creativity to All—which the Secretary of State had the wisdom to abolish. There are lessons to be learned. I genuinely think that when we intervene to advise schools, we must accept that schools, from their own practice, might wish, for good reasons, to be diverse and different, rather than aligning themselves with some common curriculum idea that could perish as rapidly as it emerged.

The second issue is a little contentious as well. Part of what I wanted to say today and might not have expressed adequately involves gender. I suggest, tentatively, that boys in general might benefit a little more than girls from good technical education. That might play some part in addressing the problem of children leaving schools without any qualifications, a disproportionate number of whom are boys.

In saying that, I accept that girls are and can be excellent technologists, and that technology is much more varied than the sorts of thing that boys first fixate on. I accept that gender is a spectrum and that boys and girls are all different. I also accept that the Department for Education has invested in efforts to prove that I am speaking nonsense, and that what I say can be both challenged and refuted. I have studied the Department for Education's website, which has some excellent documents, largely written by female members of staff, suggesting that much of what I will go on to say is mythology, and that in fact boys and girls approach the curriculum in broadly similar ways. The similarities are far more important and prevalent than the differences, but I am not convinced by the argument that there are no differences. Although some views can be challenged, they are not necessarily refuted.

It is a basic biological fact that male and female brains are structurally different—males and females are, obviously, hormonally different as well—and that, irrespective of social conditioning, the two behave quite differently. That can be evidenced not only by anecdote, but by the performance of girls at any linguistic task; their abilities are far in excess of the abilities of boys, both in the UK and elsewhere. We have to recognise that and ask ourselves whether technology, if properly construed, might do something to balance out the attainment levels of the sexes in that respect. I make that proposal in the knowledge that, to some extent, it is controversial, but I think that it would benefit from some examination.

The essential problem remains that if we want design and technology to be embodied adequately in the curriculum, as we do, and if we genuinely want to spread good practice as best we can, how will we do it within a narrowing curriculum, and in an environment where teachers face a variety of demands? Moreover, how will we do it at a stage at which it is immediately relevant to children? My supposition is that some children who attend primary school, and who are not naturally bookish or who do not come from bookish homes, may find it difficult at times to engage with what they are offered and therefore detach themselves from the curriculum. That will eventually lead to poor attainment and to them being transferred to secondary school as underperformers. Giving them a series of other activities simply because they are not very good at what the school has to offer is less likely to be successful than finding out at an early stage where their talents lie and giving them an opportunity to explore them through design and technology. I believe that that opportunity exists, and we have to capitalise on it.

I will be interested to hear the Minister's response, particularly on how he sees D and T fitting into the curriculum and its revision, as planned.

5.2 pm

The Minister of State, Department for Education (Mr Nick Gibb): I congratulate my hon. Friend the Member for Southport (John Pugh) on securing this important debate and on his interesting opening speech. He need not apologise to my hon. Friend the Member for Grantham and Stamford (Nick Boles) or me for a second contribution on educational matters—these are important issues and it is always a pleasure to hear what he has to say.

My hon. Friend the Member for Southport is right to say—we need to reiterate this—that design and technology is absolutely not just an alternative for those young people who are not academically inclined; it is an important subject in its own right. Indeed, the expert panel that we appointed to look into evidence from around the world for our national curriculum review recommended in the report that we published before Christmas that design and technology should become a basic curriculum subject,

[Mr Nick Gibb]

with greater freedom for schools to teach what they want, free from the constrictions of a programme of study, to encourage innovation and an individual approach. The national curriculum review will consider that before providing final recommendations to the Secretary of State.

My hon. Friend has strong views about the importance of technology in primary schools and schools in general, and has voiced his concerns about the risk that too rigid a policy on the provision of technology to schools can stifle the very innovation that we all seek. Of course, technology can never supplant good teaching, but the effective use of digital technology can support good teaching and help raise standards in schools. We need to support the effective and innovative use of technology in schools, with good practice being developed and shared between them. That means not only exposing children to technology and encouraging them to feel comfortable with it, but promoting technology as a useful tool in itself and as a means to help develop general teaching in schools.

We do not seek to micro-manage the application of technology. As we stressed in the schools White Paper, it is for individual schools to identify their own needs and to address them as they think best. We need to encourage and enable teachers to take better advantage of the great opportunities presented by the burgeoning range of digital technologies, and to use them to improve their teaching and efficiency.

As my hon. Friend has said, the Secretary of State emphasised the fact that technology is a priority in his speech to the Schools Network conference last month and at the BETT technology show this morning. Like me, he wants to encourage the innovative use of technology both within and beyond the classroom. We need to equip our pupils with the technical skills and the knowledge to meet the needs of the 21st-century workplace.

This country has an exemplary record on the use of technology in schools. There is on average one computer for every seven primary school pupils, and one for every three in secondary schools. Primary schools spend an average of £12,400 each year on information and communications technology, and an additional sum of almost £1,500 on software and content. No one should doubt the importance that we attach to the use of technology to support our teachers.

I recognise that some will fear that the passing of Becta, to which my hon. Friend referred, has left a gap in the provision to schools of specialist advice on technology. We are in a period of transition, but this should be seen as an opportunity for the commercial sector and professional organisations to adapt their services to fill that gap.

My hon. Friend has spoken about the curriculum. We are in the process of reviewing both the national curriculum and the suite of qualifications. I think that we all agree that the current ICT curriculum, to which he has referred, is in need of an overhaul. It is outdated and needs to be reformed. We see the teaching of technology-related knowledge and skills as an important part of a broad and balanced curriculum that schools offer their pupils, but it is also our belief that, in a fast-moving and continuously evolving area such as ICT and technology in general, central Government are not necessarily best placed to define the knowledge that pupils need to acquire. As my hon. Friend has said of the early career of Bill Gates, he did not learn the skills that he used to build the Microsoft empire from technology lessons at school. He had a general, good education and he used it to develop his own work in understanding computers and software.

I have been fortunate over the past few months to meet representatives of those who work in the industry, particularly the ICT industry, who are concerned about the lack of a rigorous foundation in programming and the consequences of that for the wider economy. They are persuasive advocates and their detailed submissions to the national curriculum review have been very welcome.

As my hon. Friend has mentioned, the Secretary of State addressed the BETT technology show and took the opportunity to announce that the Department for Education will shortly open a consultation on the withdrawal of the existing national curriculum programmes of study for ICT from September this year. This is an interim measure that is intended to give schools more flexibility to develop their own programmes of study to meet the needs of their pupils more effectively. This move may have come as a surprise to many people, and we recognise that we are taking a wholly new approach.

Mr Graham Stuart: Will the Minister give way?

Mr Gibb: I will happily give way to my hon. Friend, the Chairman of the Select Committee on Education.

Mr Stuart: I am grateful to the Minister. I, too, have met, in recent months, representatives who have made an impressive case. Can he explain—because I do not know the answer—why, until last year, there was not a single computer science GCSE? All we had were programmes of study and qualifications in, as he has said, operating programmes. The actual educational material was not in the courses. Why was that? How did we get into that position, and how will we make sure that we will not allow such things to happen in future?

Mr Gibb: My hon. Friend is right and that situation undermines the status of ICT. We have seen that in the GCSE figures. In 2000-01, something like 95,200 people took the GCSE in ICT, and last year that figure went down to 31,800, so something has gone very wrong with the content of the specification in ICT GCSE and in the programmes of study that were in recent reviews and that have led to this problem. There is a widespread belief that the existing programmes of study for the subject lack ambition, and that they serve to inhibit schools from engaging with innovative and inspiring ICT initiatives. We have heard that from so many sources—from teachers and pupils, from industry and, indeed, from my hon. Friend just now.

Some of the biggest names in the computer-related industries have told us that, in its current form, ICT is turning pupils away. That, in turn, is hampering the development of more relevant ICT-related GCSEs, with a focus on the more rigorous disciplines of computer science programming. That has had disastrous consequences for our digital industries, which face ever-increasing competition from emerging economies all around the world.

Eben Upton, a computer science academic at Cambridge university, was reported in yesterday's *Guardian* as saying of applicants for degree courses whom he was interviewing:

"None of them seemed to know enough about what a computer really was or how it worked...Children were learning about applications, which are pretty low-value skills. They weren't being properly equipped to think about how computers are programmed...Computing wasn't being seen as the exciting, vibrant subject it should be at school—it had become lack-lustre and even boring."

Our proposed change to the ICT curriculum will offer a chance for the subject to be rejuvenated, freeing teachers to explore and innovate, and hopefully to inspire a new wave of pupils to pursue computing and ICT. We need highly-skilled programmers if we are going to continue to compete in today's and tomorrow's markets, which will be increasingly dependent on, and driven by, the new digital technologies.

That is why the Secretary of State made the announcement that he did this morning. Pending the outcome of the national curriculum review, ICT will remain compulsory at all key stages in schools and it will be taught at each stage of the curriculum. The existing programmes of study will no longer be compulsory, but they will still be readily available for reference purposes on the web, although no school in England will be required to follow them. Subject to the consultation, from September this year, all schools will be able to use whatever resources they choose to teach the subject, and there is a wide range of excellent materials to choose from. I know that industry and specialist organisations, such as the British Computer Society, e-skills UK and Naace are already working on an alternative ICT and computing curriculum.

John Pugh: The worry is that we will go from one phase of prescription to another phase of prescription. We will not get back the days when young men came in and programmed BBC Micros on BASIC and such things, and got very excited about it. Technology is changing enormously. Years ago, if someone in the computer industry was asked about the key skill required, they would have said, "Keyboard skills," yet touch-screens and so on will make those very skills obsolete. The model that the Minister is suggesting, which involves not only advice from above but interaction from below, is probably the right way forward.

Mr Gibb: I am grateful for my hon. Friend's support for the radical notion of removing the programme of studies. As the Secretary of State said this morning:

"Imagine the dramatic change which could be possible in just a few years, once we remove the roadblock of the existing ICT curriculum. Instead of children bored out of their minds being taught how to use Word and Excel by bored teachers, we could have 11 year-olds able to write simple 2D computer animations using an MIT tool called Scratch"—

5.13 pm

Sitting adjourned without Question put (Standing Order No. 10(11)).

Westminster Hall

Thursday 12 January 2012

[MR GRAHAM BRADY *in the Chair*]

Policing

[Relevant documents: Fourteenth Report from the Home Affairs Committee, Session 2010-12, HC 939, and the Government response, Cm 8223.]

Motion made, and Question proposed, That the sitting be now adjourned.—*(James Duddridge.)*

2.30 pm

Keith Vaz (Leicester East) (Lab): The House will know, Mr Brady, that over the past 10 years, you and I have had the honour of co-chairing the Westminster kids club Christmas party, but this is the first time that I have served under your chairmanship, and it is an enormous privilege to do so.

I welcome this opportunity to discuss the report by the Select Committee on Home Affairs, "New Landscape of Policing", which we published on 23 September 2011. A new Government always want to put their imprint on an important area of policy, but in my 25 years in the House, I have not seen the kinds of changes to policing and the policing landscape that this Government initiated when they took office. The Government propose abolishing the National Policing Improvement Agency and the Serious Organised Crime Agency; creating a new National Crime Agency, a professional body for policing and a police-led information technology company; centralising non-IT procurement; supporting collaboration; and ending unnecessary bureaucracy.

Our report was a response to those fundamental and far-reaching proposals for policing reform. Given the significance of the changes to this £997.3 million budget, the Committee decided to examine the proposals in great detail. I am pleased to see that three members of the Committee are present—my right hon. Friend the Member for Cardiff South and Penarth (Alun Michael), and the hon. Members for Rochester and Strood (Mark Reckless) and for Cambridge (Dr Huppert)—as well as the official spokesmen from various parties.

We have received more than 50 pieces of written evidence and heard from 29 witnesses, including the Minister for Policing and Criminal Justice, the right hon. Member for Arundel and South Downs (Nick Herbert). We have also held an informal meeting with the Police Federation, attended by its chairman, Paul McKeever, and Derek Barnett, who represented the Police Superintendents Association. At the invitation of the hon. Member for North Norfolk (Norman Lamb) and my right hon. Friend the Member for Cardiff South and Penarth, we have also held two public meetings—in Sheringham in Norfolk and in Cardiff in Wales. We put the public at the centre of our deliberations; after all, the police exist to protect the public and uphold the rule of law. To increase that involvement still further, we ran a nationwide polling exercise on our website, asking people what they wanted the police to prioritise. In total, 2,000 votes were cast, and the highest public priority for the police was dealing with murder and serious violence.

Despite the Government's desire to unclutter the landscape, we concluded that it seems likely that the new landscape of policing will contain more bodies than the current landscape's six. It is possible that the Government's changes will lead to a more logical and better functioning police landscape and ultimately make the police more successful at achieving their basic mission of reducing crime and disorder, even though we will end up with more bodies. We believe that as the scale of the change is unprecedented, the possibility for mistakes may be large and with us for some time. That is why, at the point of publication, the Committee had particular reservations about the timetable for the changes, including the transfer of functions from the National Policing Improvement Agency by spring 2012 and the setting up of the National Crime Agency by December 2013.

It has taken the Government more than a year to announce where the functions of the NPIA will go. As the NPIA has an annual budget of £447.6 million, it is extremely important that we know those facts. The continuing uncertainty was damaging to the morale of the 2,000 people who work for the agency, and to the efficiency and effectiveness of the police service as a whole. I am therefore glad that the gap or loophole was rectified by the Government's acceptance of our recommendation that the phasing out of the NPIA be delayed until December 2012, and by the announcement on the future location of some of the agency's functions. It is not immediately clear whether further functions from the NPIA will transfer to the NCA, and how some of the functions already earmarked for transfer to the NCA will relate directly to operational responses to organised crime.

Dr Julian Huppert (Cambridge) (LD): I thank the right hon. Gentleman, who chairs the Committee, for giving way. Does he agree that, while it has certainly not been perfect, the NPIA has done a very good job, and that there is some concern that an impression has been given that it has not been valued by the House? It has had many disparate functions, many of which have been developed very well. It is important that we put on record our appreciation for the NPIA's work during its existence.

Keith Vaz: I thank the hon. Gentleman for, and agree with, his intervention. It is important that we put on record the achievements of the NPIA in certain areas. The fact that organisations are being abolished does not mean that we do not recognise the work done. I will come on to some of those organisations later.

The fact that the location of all the NPIA functions has not been announced remains a concern. I hope that, during his winding-up speech, the Minister will finally give us the list of all the outstanding functions and tell us where they will go. Many of the NPIA functions bound for the NCA will have to move to the Serious Organised Crime Agency, which itself is due to be abolished and co-opted into the NCA by December 2013. This shifting of resources between agencies due for closure, before finally shifting them to the NCA, makes heavy weather of the Government's important principle of uncluttering the landscape.

[Keith Vaz]

SOCA was set up by the previous Government, of which the shadow Minister, my right hon. Friend the Member for Delyn (Mr Hanson), was an active member—one of his roles was that of Policing Minister—and our Committee has been concerned about it for a number of years. In our most recent report on the agency in 2009, we found that its budget of £476 million was used to hire 3,800 members of staff; that it was spending £15 of public money for every pound it seized from criminal gangs; and that it lacked transparency in the way that it operated. Despite improvement in its performance, it is essential that the Government's new crime-fighting agency be set the correct targets and can use its resources cost-effectively, so that it does not become another SOCA. It is also not clear whether SOCA will be given extra resources to help it manage the NPIA functions during the short-lived transition. I hope that the Minister will offer clarification on that point.

The lack of detail regarding the creation of the NCA was one of the central concerns of the Committee, and that remains the case. We were concerned about the delay in appointing a head of the agency, and the lack of detail on the objectives and—most importantly—the budget of this new policing agency. We welcome the appointment of Keith Bristow as the head of the NCA since the publication of our report. We felt, however, that someone occupying a position of that importance ought to have appeared before the Committee before taking up his formal appointment. We also remain concerned about the lack of detail on his role and objectives. Will he be a civil servant, or the head of the No. 1 crime-busting agency in the country? Will he be Sir Humphrey or Eliot Ness? Perhaps we will find out when he appears before the Committee on Tuesday to answer some important questions.

The Committee still awaits the figures on the agency's budget. When the Minister first appeared before the Committee on 28 June, I asked his director of finance whether he knew the budget. He replied that it would be a little higher than SOCA's, which is £476 million. Luckily, he had the Minister next to him, who told the Committee that although the budget for the NCA had not yet been set, the lion's share of it would come from SOCA. The Minister came before us again on 20 December 2011, following the announcement that the destination of some of the NPIA functions would be the NCA, and he could still not inform us of the budget. This is not a game of "Play Your Cards Right"—a little higher here, a little lower there. We want the figures. Parliament needs to know exactly what the budget of this new agency will be, particularly as it is the flagship of the Government's new policy.

There remain many areas where the agenda for the future of policing is unclear. One such area is police IT. Despite costing the public £1.2 billion annually, we concluded that

> "IT across the police service as a whole is not fit for purpose,"

and that that affected the

> "police's ability to fulfil their basic mission of preventing crime and disorder."

The Home Office has made rectifying that, through changes to police IT, a top priority.

It was an error of judgment on the part of the Home Office to prevent Lord Wasserman from giving oral evidence to our inquiry. As the author of the police IT review that preceded the Home Secretary's announcement of the creation of a police-led information and communications technology company, and as chairman of the board setting up that new IT company, he is central to any future plans. He hosts seminars on behalf of Ministers, he speaks on behalf of Ministers, and he advises Ministers. I have received many invitations to seminars that the Minister for Policing was unable to attend, and Lord Wasserman is sent in his place. It appears that Lord Wasserman is, in fact, acting as a Minister, so it is very odd that he has refused to appear before the Committee. I hope that the Minister will have some good news for the Committee, in terms of agreeing to allow him to attend. The Committee unanimously wrote to the Home Secretary again on 20 October 2011 asking Lord Wasserman to come before us and give us answers on the development of the new company. That request was turned down.

One of the areas that the Committee has been focusing on with regard to policing has been the policing protocol.

Mr David Winnick (Walsall North) (Lab): I know that my right hon. Friend is going through a lengthy period of not being controversial—somewhat like me—but is he coming to the point when we deal with morale in the police force?

Keith Vaz: I have a feeling that my hon. Friend has seen a copy of my speech—although I am not suggesting that he popped into my office, which is next door to his—because I will indeed come on to police morale.

Mr Winnick: I can assure my right hon. Friend that I have not seen a copy of his speech.

Keith Vaz: One thing is certain: my hon. Friend did not write it for me. We will be coming on to police morale in a moment.

I pay tribute to the excellent work done by the hon. Member for Rochester and Strood in pursuing the issue of the protocol. In the past, the Minister has been willing to engage with the Committee on a number of issues. I find him a very accessible Minister. He may well be top of the league table, as far as my dealings with Home Office Ministers are concerned.

Mr David Hanson (Delyn) (Lab): Oh!

Keith Vaz: I do not have a list for shadow Ministers yet. However, uncharacteristically, on the issue of protocol the Minister has let himself down. We were very keen to engage with the Government on the protocol, as it is very important. However, there has been no engagement. The Committee nominated the hon. Member for Rochester and Strood to be our representative at any meetings that took place, but unfortunately that offer was not taken up.

As hon. Members know, the protocol sets out the critical relationship between police and crime commissioners, the first of whom are to be elected in November 2012, and the police. I note that a Committee member, my right hon. Friend the Member for Cardiff South and Penarth, has announced that he will seek the Labour nomination for his local area. I wish him well in pursuit of that. I hope that the fact that he has been

endorsed by the English Chair of the Home Affairs Committee will not mean that he does not get the nomination.

The Committee was the body that recommended that there ought to be a protocol, in its report on police and crime commissioners. That move was put to the Committee by the hon. Member for Rochester and Strood, and we put it in our report. We were delighted that the Government took that recommendation on board and created a draft protocol that the Committee commented on in detail. Of course, the problem is that although they allowed us to comment on the draft protocol in detail, none of our suggestions have been taken up.

The ability to engage with Parliament on that critical issue was important, especially as there are no police and crime commissioners yet and the number of elected people involved in the process was pretty limited. What happened was a lost opportunity, which is why the Committee wrote to the Leader of the House. I understand that on Monday there will be a debate at 4.30 pm in the Chamber on that very issue. I hope that the Minister will approach that debate in the same way that he approached the Committee's suggestions. The shadow Minister, my right hon. Friend the Member for Delyn, is shaking his head; I thought it was he who told me, as I walked into this Chamber, that there was a debate on Monday.

Mr Hanson: I am disagreeing with my right hon. Friend on the point about the debate being in the Chamber; I think he will find that it is to be in Committee, upstairs.

Keith Vaz: There is still a debate; it is still happening, but it will be in Committee. I am most grateful.

Mark Reckless (Rochester and Strood) (Con): Before the Chair of the Select Committee moves on from the protocol, I would like to put on the record my thanks to the Government and the Treasury; I apologise, but I do not know the constituency of whoever makes these decisions. The protocol is an excellent document that will be very powerful, and it is important that there be an opportunity for Members of Parliament, as well as members of the Association of Chief Police Officers and representatives of police authorities, to have their say. I very much look forward to that debate and would like to put on the record my thanks for it happening.

Keith Vaz: The debate is taking place in no small measure because of all the work that the hon. Gentleman has done.

I turn to the issue of police morale, which was raised in an intervention by my hon. Friend the Member for Walsall North (Mr Winnick). For police officers up and down the country, the role and future of the police service have been at the forefront of the national agenda since July 2010. The service will suffer more than 16,000 job losses before the next election, and uncertainty remains over how pay and conditions will be affected by the Winsor review and the ruling this week by the Police Arbitration Tribunal. In addition, there is the two-year public sector pay freeze and the capped 1% increase beyond those two years. We have heard from the Police Federation that the proposals for changes to police pay and conditions will have a detrimental effect on the morale of the police service.

In a Police Federation survey of 43,000 police officers last year, 98% said that they were demoralised by how these matters were progressing. When the issue of police pay has been settled, and when that is coupled with all the other challenges that they face, there could be a fundamental shift in the standards and motivation of police officers all over the country. We would be grateful to hear from the Minister about the progress on that subject, and about any other discussions that he has had with the Police Federation.

I have to say to the Minister—again, this is uncharacteristic of him—that I was very disappointed with the reply that he gave to my parliamentary question when I asked how many times he had met the Police Federation. He gave me no reply. He said that he could not tell me how many times because that is what the previous Government did. That is very odd. I thought that this Government were committed to transparency. When the Chairman of a Select Committee tables a parliamentary question to the Minister of Policing asking when he met officially—not socially or informally—the chairman of the Police Federation, he deserves a reply. I shall take that up with Mr Speaker.

Mr Winnick: I am sure that my right hon. Friend recalls that when I—and indeed he—pressed the chief constable of the west midlands on the effect of cuts in that region, he said that it was bound to have an effect. Over the period concerned, cuts in the west midlands will be somewhere in the region of 26%. That is not disputed. It will mean 1,100 fewer police officers and around 1,100 fewer police support officers. That is bound to have an adverse effect on dealing with criminality.

Keith Vaz: My hon. Friend is a distinguished Member from the west midlands, and I accept what he says. That is exactly what the chief constable of the west midlands said to us when we met him about these matters, so they have to be taken very seriously. On the question of the reply, I will take that up with Mr Speaker, because it is a reasonable question for hon. Members to ask. If we accept that we will never get an answer to questions about who Ministers meet officially, then, frankly, there is no point in coming here and no point in tabling questions.

Despite those difficulties, we need to accept that officers in police forces all over the country work extremely hard and are very dedicated. The riots across the UK highlighted the length to which officers will go to protect their communities and to have a positive impact on local areas. Yesterday, along with the Minister, other Ministers and hon. Members, I attended a reception at Downing street organised by the Prime Minister to thank police officers who had taken part in trying to quell the riots. The Prime Minister spoke eloquently about the bravery of those officers. It is right that we realise and recognise that, during these difficult times when budgets have to be cut to some extent, police officers face enormous problems.

In the week after the Stephen Lawrence verdicts, when there has been some criticism of how the police operated during the original investigation, may I give the Minister an example of really good practice? On Boxing day, a young student was shot in the head in Manchester when he was out attending the sales. He was an overseas student. I was involved in this matter,

[Keith Vaz]

because an e-mail came from India from his family in Gujarat, and they asked me to ensure that things were in order. I am full of praise for the work that was done by Greater Manchester police. I would like the Minister to look at the letter that I have sent to the Home Secretary today. Within seven days, Assistant Chief Constable Dawn Copley and her team in Greater Manchester arrested someone and charged them with the murder. They sent two police officers to India to inform the family of what was happening. When the family came over here, they looked after them and communicated with them on an hourly basis to tell them what was happening. We now have a date for the hearing of the person who is alleged to have murdered Anuj Bidve. That is an example of good practice, which we should acknowledge when we look at what happened in the Lawrence affair; we can see how far forward we have moved in the past few years.

The Government's changes are the most far-reaching proposals for the police service since the 1960s, and are among the most significant since Sir Robert Peel laid the foundations for modern policing nearly 200 years ago. Ministers must be commended for thinking outside the box in their desire to improve policing in Britain in a radical way. However, the structures must follow their vision for policing in the 21st century. All the Committee is seeking to do in its report is caution the Government to think carefully before putting their structures in place, so that they are fit for purpose and achieve their laudable aim of reducing crime as much as possible, and provide intervention from the centre to guide long-term policing. It is for that reason that we suggest, in the very last words of our report, that change on this massive scale requires clear and strong leadership from the Home Office, and effective communication with the stakeholders involved in this very important process.

2.54 pm

Tom Brake (Carshalton and Wallington) (LD): It is a pleasure to serve under your chairmanship once again, Mr Brady. I welcome the opportunity to debate the "New Landscape of Policing" report produced by the Home Affairs Committee and the Government's response to it. I welcome, too, the fact that many of the Committee's members are here today.

I begin by saying, very much in the way that the Chair of the Home Affairs Committee, the right hon. Member for Leicester East (Keith Vaz), started his contribution, that there is a very busy picture when it comes to policing matters. As he stated, the NPIA will wind down by the end of this year, and SOCA will take on some of its responsibilities before being wound down. We expect the National Crime Agency to be fully functional by the end of next year. The elected police and crime commissioners should be in post by November, and the police authorities are being wound down at the same time. The protocol has recently been published. There is a shadow strategic policing requirement and an organised crime co-ordination centre.

They are just some of the things that have been established or are in the process of being wound down. At the same time, it is clear that the UK remains under threat, as it has been for many years. We have had other threats or incidents—the riots in August have been mentioned—and the diamond jubilee and the Olympics are upcoming. The changes present a complex picture of what the policing landscape will look like in a couple of years' time, against a backdrop of a high level of threat to the UK.

The Home Affairs Committee has an important responsibility to scrutinise all those activities, and it has shown itself perfectly capable of doing so. The Minister with responsibility for policing will no doubt be personally responsible if any of those bodies fail to act in the way that they should, but it is clearly not possible for him to have a day-to-day handle on the progress that is being made across all those different areas of policing activity. Who, therefore, is actually responsible for having oversight on a day-to-day basis of all those different activities to ensure that one is not having a knock-on effect, or an unintended consequence, somewhere else?

As the Home Affairs Committee report highlights—this is reported in the Government's response—those changes, even when complete, will not be set in stone. For instance, the point about the protocol in paragraph 38 in the Government's response, Command Paper 8223, is likely to change once the police and crime commissioners are in post, because they may seek to make sensible changes. There is also the issue of what will happen to counter-terrorism. I certainly support what the Committee has said: it would be wrong to make changes to where counter-terrorism sits at present, but, post-Olympics, there is a strong case for including it in the National Crime Agency, given that it affects all parts of the United Kingdom. It is, therefore, a moving picture in more respects than one. I am sure that the Minister will want to continue to ensure that these matters are reported to Parliament on a regular basis so that, almost month-by-month, we can see the progress that is being made on all these different restructuring activities.

I raised the issue of the scrutiny of police and crime commissioners by the police and crime panels and the Government at Home Office questions on 12 December. I wanted reassurance that the budgets for the police and crime panels would be sufficient to allow them to scrutinise the police and crime commissioners in the way that was intended. The Government have said that £40,000 is set aside for that. In his response, the Minister may be able to set out how that figure was derived. On the face of it, £40,000 for a panel to scrutinise the activities of the police and crime commissioner does not sound like a lot of money, certainly not in comparison with the budgets of the police authorities, although they have other responsibilities that the police and crime commissioner will take on.

Mark Reckless: With the exception of two individuals, the police and crime panels will assist elected councillors who already receive allowances and may lean on other support from their constituent councils. Surely, at least part of the process must be to provide funds to allow appropriate scrutiny, rather than putting in great dollops of additional money.

Tom Brake: Councils may make a contribution in that respect, but at some point a police and crime panel might need to call on expertise that is not available in local authorities. If people are trying to access such expertise, which may be required for the panel effectively to undertake its scrutiny role, it does not take too long

for a substantial bill to build up. I hope that the Minister will set out precisely how it will work and will reassure hon. Members that resources will be sufficient for the important task that the panels will undertake.

I hope that the Government will quickly review their role in scrutinising the police and crime commissioners, or at least the way in which they have been implemented. Given that activity is already starting in relation to London, it is not unreasonable to hope that by sometime in 2014, say, when the police and crime commissioners have been active for a couple of years, the Government may want to consider whether those bodies are delivering the sorts of things that we expect them to, in terms of increased accountability, greater involvement of the public and ensuring that the police and crime commissioner and the chief constable are engaging effectively with the people who are, at the moment, excluded from that consultation and engagement process.

I am sure that many hon. Members—possibly all hon. Members here—will at some point have attended the ward panel in one of the wards in their constituencies. I have done so occasionally in Wallington, South. It is clear that those panels receive useful input from key individuals in the community. It is true to say that young people are rarely present on those panels, and I suspect that those on lower incomes are underrepresented. The Government will want to consider whether police and crime commissioners and chief constables are beginning to engage more effectively with such groups to see whether their views, concerns and priorities, from a policing perspective, are properly taken on board.

The Home Affairs Committee report and the Government response contain a large body of information about the professional body. I support that and want it rolled out quickly and, as the Committee has suggested, in an all-encompassing way that is not exclusive in terms of its membership. That body should be doing some things at an early stage, including considering national minimum recruitment standards for the police force, considering whether there is scope for learning from the Teach First scheme, to see whether there are ways to get a different group of young, qualified people into the police force, and looking at whether there is any prospect of using some of the expertise that has been built up in respect of teaching schools to see whether there is any role for some of our larger police stations in that respect.

Keith Vaz: I was remiss in not recognising that the right hon. Gentleman appeared as a witness in the Committee during its inquiries.

The Government's proposal to completely and radically reform the way that police officers are trained and to look at standards is exciting. Does the right hon. Gentleman agree with the Committee that it is important to bring the profession with us when having a discussion of this kind and to have the widest possible consultation, so that we have something that will last beyond this Government—the worst possible thing would be to have too much party politics in this—and that we should be getting people on board and united behind a new method of education and professionalism?

Tom Brake: I welcome this proposal and agree that the profession must be brought along and that that requires consultation and engagement, although, of course, it may be difficult to get a single view of the profession from all levels of police officers about what that professional body will look like. However, it is clearly essential to engage with all of them, whether chief constables, superintendents, police constables—the whole range—or staff.

I hope that the professional body will look more carefully at black and minority ethnic recruitment into the police force and how BME officers do or do not make progress within the ranks. It should take that task on at an early stage.

As an aside, the professional body should, rightly, concentrate on training. What training will be available for both police and crime commissioners and police and crime panels? In relation to the former, what training might be available to candidates who are going to be, or want to be, police and crime commissioners? Such training could be beneficial. I am concerned that some candidates for those posts may not have the experience, knowledge or expertise that is required. Although coming to the job with a fresh approach may be welcome, understanding the environment in which people are going to work will also be beneficial.

I shall mention efficiency, touch on one major omission from the new landscape and then conclude. On efficiency, the report clearly and rightly highlights the importance of getting more out of the procurement process and out of IT. However, it is short on detail about ensuring that the police are taking the most effective approach to tackling types of crime.

I want to see more in terms of drawing into the centre the evidence base for what is effective from a policing perspective, so that we can make that information available widely to all the police and crime commissioners and chief constables and can be certain that, when they launch an initiative—whether tackling antisocial behaviour or organised crime, at NCA level—they are using a policy or approach that evidence suggests will be the most effective possible. Doing that may require universities and others to be more heavily involved in the research than may currently be the case.

The Home Affairs Committee did not focus enough, to my liking, on the linkages that should exist between police and local authorities. The Chair of the Committee has visited Sutton, as has the Minister with responsibility for the police, to look at the partnership between the local authority and the police, which has drawn together under one person police and local authority resources to tackle antisocial behaviour and so on. I would like to have seen that agenda pushed more, because there is no doubt that it has been effective in Sutton not only from a policing perspective, but in ensuring that the police, the local authority, the fire service and the voluntary sector work together effectively. I would like it to have been more prominent in the Committee report and in the new landscape of policing more generally. From a policing perspective, these are exciting and challenging times, and there are lots of opportunities, which is why we need to keep the situation under constant review. I hope that the Minister will reassure us there will be an ongoing and heavily engaging process for all Members.

3.10 pm

Alun Michael (Cardiff South and Penarth) (Lab/Co-op): I am grateful to have the opportunity to speak in the debate. I declare two interests: first, my son is the chief

[Alun Michael]

executive of the North Wales police authority—something that I declare when we discuss policing in the Select Committee on Home Affairs—and, secondly, that I have announced my intention to seek nomination as the Labour and Co-operative candidate to be the police commissioner for South Wales, as the Chairman of the Select Committee, my right hon. Friend the Member for Leicester East (Keith Vaz), mentioned.

My decision to stand for office was made not out of admiration for the frenetic pace of change since the general election, but out of enthusiasm for protecting the best features of police work and continuing the drive to cut crime and reduce reoffending. That enthusiasm is for the whole of England and Wales, which is why I particularly enjoy my work on the Home Affairs Committee, but it relates particularly to south Wales, which has experienced considerable success in recent years in reducing crime. I want that process to accelerate, rather than flag—a point that I will return to in a few minutes.

I do not want to repeat what is in the Select Committee report, and I certainly cannot deal with all the issues that it raises, which are reflected in the list of Government initiatives to which the right hon. Member for Carshalton and Wallington (Tom Brake) referred. I want to reflect primarily on the nature of policing and the Government's role.

Reorganisation is sometimes inevitable, but it almost always leads to a drop in performance and effectiveness in the short term, so the advice to anyone considering it is to lie down in a dark room and reflect on whether the proposed reorganisation is really necessary. The drop in performance often happens even if the ground is well prepared and the objectives clear. A problem now is that the objectives and the eventual landscape are not altogether clear and the ground has not been properly prepared everywhere.

I give the Minister credit, because he is genuinely committed to his role and wants to make improvements. I think that we would agree on many points of principle about the purpose of policing and the Government's role. At a time of front-ended cuts to the police coming too fast and too deep, the challenge is compounded by the enormous scope of the reorganisation of central functions in which the end pattern of organisations and responsibilities is not yet clear. That is a serious drawback. The map has not yet been accurately drawn. It looks like one from the middle ages in which certain parts of the landscape are just marked by the words, "Here be dragons", without giving full details of what is happening in those territories. That is a pity, because some changes might prove to be beneficial in the long term, as my right hon. Friend the Member for Leicester East said. If there is no certainly or clarity, the short-term drop in performance might be significant.

As the right hon. Member for Carshalton and Wallington said, we need more transparency and more clarity about the evidence on which the approaches are based. I agree with him on the need to ensure that new systems connect with local authorities. For example, when we took evidence in Wales, we saw the benefits of the Welsh Government making a joint appointment with the Youth Justice Board to ensure proper understanding of national priorities and how they link to the work of local government and youth offending teams in Wales. That is important, because the reorganisation of national organisations is not the only challenge facing the police.

The challenges range from international terrorism, organised crime—it seems to get more business-like by the day and sometimes looks as though it benefits from university-level business studies more than perhaps some businesses do—and the significant use of the internet for criminal activity, across to the riots in August 2011 and the ever-present problems of daily and weekly local crime and disorder. I will touch on those logistical challenges for the police and others in a moment.

In evidence to the Select Committee, the Minister stressed the importance of the Peelian principles. Sir Robert Peel underlined two principles particularly when he established the first police force: first, that the first responsibility of the police is to reduce crime and offending, which the Minister quoted in evidence to the Select Committee; and, secondly, the rather delphic utterance:

"The police are the public and the public are the police".

To unpack that, it means that there must be confidence on both sides of the equation—there must be trust and an understanding of the roles of the community and the police. Of course, Sir Robert Peel laid down other issues on integrity, trust and how policing is done, which is all very important, but we must stress the practical implications of putting the first priority of the police at the forefront of all our discussions and debates.

The Crime and Disorder Act 1998 gave clear focus to the creation of local crime and disorder reduction partnerships. That legislation has been enormously successful, as the Minister has been kind enough to acknowledge. Since then, the partnership work between the police and local authorities has been more integrated into the local and wider scheme of partnership working. In general, that is a good thing, but there is always a danger that the specific focus on crime reduction could be eroded, and we must be careful in future to ensure that that is not the case.

I underline the lessons to be drawn from violence reduction in Cardiff. I apologise to members of the Select Committee who have heard me expand on that topic more than once in the past, but it is a significant demonstration of what can be achieved. With a clear focus on the nature of violent incidents—what provoked them, where they happened and what could be done to prevent them—violence in Cardiff has reduced by roughly 25% ahead of the reductions in equivalent cities in England and elsewhere. Not only is that measurement based on police figures, but it has been tested in a peer-reviewed article in the *British Medical Journal* based on evidence of the number of people who go to accident and emergency units requiring treatment, and it therefore has real validity.

The figures show a significantly reduced number of victims, and Victim Support has stated on more than one occasion that more than anything else, victims want to know that they will not become a victim again—it is not retribution that they seek, but confidence and security in the community. The reduction in offences is enormously important from that point of view. It reduces the waste of police time. That is significant because police can attend to other things: reassuring the public and investigating crime. It also reduces the burden on the

NHS. Putting people's faces together after a serious attack is significant and expensive for the NHS, as has been commented on by Professor Jon Shepherd, who has led the work. We have seen that success.

I feel safe in the centre of Cardiff, because I know the figures show that it is a relatively safe place. However, it is significant that evidence from some programmes undertaken by John Humphrys two years ago demonstrated that a lot of people find that the activity and feeling on the streets—the discourtesies, such as the noise and the ebullience—make them feel less safe. People's behaviour is not based just on the facts of crime; they also react to their environment. We need to focus on the accurate measurement of crime and its reduction to ensure that people are safer, but we also need a greater focus on enabling the public to know the facts and to feel safe, if they are, and to know that any remaining problems are being addressed.

In a leader column last week, *The Guardian* expressed worry that the election of police and crime commissioners would turn into a rat-catcher's election. I am not entirely sure what was in the mind of the writer. I think that they feared that we would go to the lowest common denominator in debating policing and crime and populist sloganising in the approach to the elections. I assume that they did not want to imply that a police commissioner would be unpaid and, therefore, take revenge along the lines of the Pied Piper of Hamelin, by leading all the children of the police force area into the river.

Mark Reckless: The right hon. Gentleman said earlier that Peel's principle was that the police should be the public and the public should be the police. Is the problem not that the two have become disengaged? What will change under the new landscape is that, through the process of election, a police and crime commissioner will be able to bring them back together.

Alun Michael: One approaches this either with pessimism or optimism. I admire the hon. Gentleman's optimism, as I do often in our discussions in Committee. I hope that proves to be the case. I was reflecting *The Guardian* article's fear of populist sloganising, rather than a base of evidence. That is one reason for my decision to stand, and why all parties interested in the matter need to ensure, given that the legislation has gone through and that we will have police and crime commissioners, that they are people who can add value to the process and address the public's experience. I hope very much—perhaps we all need to contribute—that the outcome desired by the hon. Gentleman will be the one that we see.

The same leader referred to me as more of a builder of partnerships and consensus than a rat-catcher. I think that I take that as a compliment, because it goes back to Peel's principles of trying to build consensus, reflect the public will and ensure that crime is reduced.

It is of course important that the police and crime commissioner should hold the chief constable to account. There is the responsibility of appointing the chief constable; there is the responsibility of deciding the budget and the policing plan. All those things are vital and need clear leadership. The commissioner will also need to take a lead in connecting and reconnecting the police and the public, as well as the police and the local authorities and other organisations. One of the biggest lessons that came out of the report of the Select Committee on Justice, "Cutting crime: the case for justice reinvestment", was that most things that affect offending are not only outside the aegis of the police, but outside the criminal justice system. Therefore, connecting that, looking for evidence of the real problems experienced by the public and ensuring they are addressed through a partnership approach, must be an absolute priority for the commissioner, as well as for the chief constable and those who lead policing locally and lead local authorities.

Some of the costs of policing cannot be avoided, even if it is possible to reduce crime locally. I am grateful to the Minister for meeting me and Chief Constable Peter Vaughan of South Wales police. I stress that that meeting took place long before I decided to stand as commissioner. When we met the Minister, we focused on the capital city challenge that the south Wales police force faces, as well as policing the two great cities of Swansea and Cardiff. It also faces the challenges of a top-slice to its finances, to assist other police forces in Wales. The Minister listened carefully and promised to take away the points that we made. I hope that that will be reflected at some point in a reconsideration of the police funding formula.

I was on the streets of Cardiff when we had a visit from the English Defence League, a much larger demonstration and march by Unite Against Fascism and an element of conflict, with some people wanting to turn it into a pitched battle, which good policing prevented. That took place on the same day as South Africa was playing Wales at rugby at the Millennium stadium, the West Indies were playing England—and Wales, if I can put it in those terms—in the SWALEC stadium, and the Stereophonics were in concert in the city. That was an enormous addition to the normal day-to-day work of policing. Both Cardiff and Swansea are doing well at sport and seeking to grow and expand as cities. Given that set of capital-city challenges, a formula that gives Cardiff and therefore the South Wales police rough equivalence to the policing of similar-sized cities that do not have those capital-city responsibilities places an additional burden. I ask the Minister to continue to reflect on that and find out whether he can develop the formula to help meet that challenge.

The police have to plan in the light of the riots that took place in a number of cities, including a number of parts of London, last August. The Select Committee produced a good report, which I hope will inform Government policy and assist the police in planning and responding to such matters, but I still have a concern. Although our approach is evidence-based, we still do not have the sort of in-depth report that Lord Denning produced in response to riots in the 1980s. That report was enormously important and influential. [Hon. Members: "Lord Scarman."] I apologise. I am sure that I am referring to two equally distinguished Law Lords. It was Lord Scarman's report, and I am grateful for that correction.

It is important to note a lesson coming out of the riots. There was an initial concern that social networks might have played a part in accelerating the activity and some of the damage. The question was asked whether something should be done to control or even close down the social networks for a period. That was answered by chief constables who appeared before us, including the chief constable of Manchester. They thought about it for about two minutes and then realised that what

[Alun Michael]

they had to do was engage and not try to control. There was very intelligent use of networks by some forces, again particularly in Manchester. Networks were used to warn that, if there were riots in certain places, the police would be there to deal with them, and to encourage people not to be on the streets where there were clear dangers.

Keith Vaz: My right hon. Friend has been consistent. He has felt all along that there ought to be a much more in-depth study into what happened during the riots. Darra Singh's report is due out shortly—next week, I think—and does my right hon. Friend not agree that it would be appropriate to look at that first, along with what the Select Committee has done? The police are undertaking their own review. Once all that information is available, we can see whether anything further needs to be done.

Alun Michael: My concern is that the trail will have gone a little cool by the time that we arrive at that position, but my right hon. Friend is right that it would be best to get all that information. I ask the Minister, however, to accept that we should not rule out the need for an in-depth look at the causes by a body that could do more such work than the Select Committee. The report does credit to the Select Committee and to the Select Committee system, which is developing in positive ways.

I am not criticising, but I believe that we are still in danger of many individuals thinking that they know what caused the riots, when we do not. We know a lot about the riots. We know more as a result of the reports and we will know more as a result of further reports, but we will not have a single, comprehensive analysis that can inform us for the long term.

There is now agreement on the enormous importance of the policing protocol. I have some concern that the protocol has been written when the Home Office has every right to say what it expects from the new arrangements and when the Association of Chief Police Officers is in existence and able to play a significant part, but not when the commissioners are in place. When they are, there will be a need to revisit the protocol. I am sure that there will be many interesting discussions between different organisations and with the Minister. In a sense, what we have is a framework, and what will be needed for the longer term is more along the lines of conventions, agreements and building on experience.

In particular, I agree with the comments made about the professional body. It is important that it is not only a successor to ACPO. I note the agreement in the Government response to our report that the body ought to be inclusive from the outset, with a separate chiefs' council, but what is not clear from the response is whether such a council would have any policy-making function for professional activities. Such a body ought to be separate from the professional body, and the professional body needs to be owned by all police. A new body is needed, starting with a fresh, clean sheet and a focus on the professionalism of the police, rather than its becoming confused with the variety of different functions currently held by ACPO.

I was one of those who argued for the establishment of the Independent Police Complaints Commission, which continues to need our cross-party support. I urge the Minister to look again at the serious suggestion of extending its role and its flexibility to look at service improvement. Often, when people make a complaint, they do not want someone to be hung out to dry or suspended from work for six months or six years—it is sometimes for very extended periods. What they want to know is that their concerns will be addressed and that they will get a proper response. A lot is about how the police respond to customers and about quality control and quality management. Giving more flexibility to enable the IPCC to address such issues might help to avoid some of the expenses arising from complaints that fall into the sort of category to which I refer.

As a suggestion for the Minister to take elsewhere in the Government, it would be good for the police service if the Ministry of Justice looked again at the composition of the Sentencing Council, which is too focused on judges and legalities and not sufficiently focused on what works. What in sentencing makes a difference to the likelihood of reoffending? I am repeating something that I said as a member of the Justice Committee under a Labour Government, but I commend it because I still believe it to be right and true, now as then.

On collaboration and IT, I urge the Minister not to be overambitious in thinking of IT schemes as a quick solution or providing major savings. I have some experience in Government IT procurement, such as of the Department for Environment, Food and Rural Affairs's e-nabling DEFRA programme, which no one hears about because it was a success—that is why I am proud to refer to it—but there are many examples of central Government procurement, in particular by the Home Office, I am sad to say, that do not inspire confidence and were perhaps over-engineered and ended up not delivering as expected but being more expensive and late coming into place. Learning lessons and ensuring proper procurement are enormously important. The IT company might or might not be the right vehicle for delivery, but the Minister would need to take a keen interest in how a project develops—the question is about not so much the vehicle as the processes adopted and the expertise brought to bear to ensure that the right work is done, the right things procured and the objectives actually met.

I have touched on a limited number of aspects of the Select Committee's work on the landscape of policing, as well as a number of other aspects of policing. An enormous amount of change is going on. I look forward to being a part of that process of change and ensuring that the initiative, which is now in law, results in us improving the quality of policing and the service given to the public, to ensure that we continue to drive down crime and reoffending and, in particular, to drive up public confidence in the police.

I certainly commend to the House the Select Committee's report, and I very much hope that the Minister will continue to listen to our consensual and cross-party comments and suggestions. In Committee, during our discussions, we challenge each other, sometimes quite vigorously, but our findings—as with the Justice Committee recommendations on justice reinvestment—give food for thought, which Ministers and the Government as a whole would be wise to heed.

3.36 pm

Dr Julian Huppert (Cambridge) (LD): Thank you for calling me in the debate, Mr Brady, even if only to prove that one does not have to be a member of the Privy Council to be allowed to speak. It is a great pleasure to follow the right hon. Member for Cardiff South and Penarth (Alun Michael)—perhaps one should expect a Welshman to look for the dragons in the landscape. I do not intend to describe every single aspect of that landscape, which has already been done well by the right hon. Member for Leicester East (Keith Vaz) and my right hon. Friend the Member for Carshalton and Wallington (Tom Brake), who went through a number of aspects of the report as well as some of the comments and suggestions that we, as a political party, had to make. Instead, I will pick out a valley here or a hill there, say a little more about those and perhaps suggest a few routes to take through the landscape.

The Government seek to undertake the most radical change to policing in 50 years, and there will be significant changes by the end of this Parliament. We will see dramatic structural changes, which will have a significant impact on the ground. What the public will care about is what will directly affect them. We should accept that the merger, abolition and creation of all sorts of agencies that members of the public have generally never heard about will not be what they care about, and that is not what the most interesting headlines will be about. The reforms, however, underpin delivery, so we have to get them right.

One of the key issues is the relationship between the democratic right of citizens to decide policies and how policing should happen—those policies might be developed in this place and by the Government—and the right of the police to use their expertise and knowledge to determine operational matters. Those two rights are distinct, and we need to ensure that we understand the difference between them. The police obviously need to be policed, but if our control over what they do is too strong and our grip is too tight, then they will lose that freedom of movement and expertise, their purpose will be undermined and policing in this country will simply dissolve.

I am concerned about how the system will operate. Currently, operational matters are dealt with by chief constables, but a huge amount is driven centrally by the Association of Chief Police Officers, which issues directives. A former Cambridgeshire chief constable has said, "I have an ACPO directive to do the following". That may not be how the system should work in theory, but, as has been said, in theory, theory and practice are the same thing, but in practice they are not.

ACPO has a role in co-ordinating strategic responses and policing strategies, and it advises the Government on important operational matters. It uses that expertise, under the direction of Sir Hugh Orde, to direct police forces throughout the country and to provide policy advice. Generally, it does that well, but it has been in existence since 1948 and, like any Government-backed organisation with significant independence and vital responsibilities, it is liable to mission creep.

In 1997, ACPO became a private company limited by guarantee, so the body that sets the direction for policing in this country is a private company. There were technical reasons for that, but the message that it sends is worrying. Similarly, ACPO was not subject to freedom of information, although that has now been updated. It received increased responsibilities, such as control over the world's largest per capita DNA database, which I am pleased is changing, control of undercover policing and control of the policing of political groups in the UK in addition to a growing number of income-generating activities, which stretch the definition of what one might call occupational guidance to breaking point.

There are a number of examples of how occupational guidance can be stretched. I have the great privilege of leading for the Liberal Democrats on transport policy, and when the Secretary of State for Transport announced a review of whether motorway speed limits should be raised from 70 mph to 80 mph, a key question for me was to work out the Government's policy on how speed limits should be enforced. The current 70 mph speed limit is realistically enforced not at 70 mph but at 80 mph. The speed limit depends on enforcement, and 80 mph meaning 80 mph is a different policy from 80 mph meaning 100 mph. Those are two different policies, but who decides which is implemented? How would the Secretary of State decide? I have been told that the decision on what that policy means—the effective speed limit in this country—was taken not by the House or the Secretary of State for Transport, but by the ACPO lead officer in the area. That is not a case of ACPO deciding what equipment should be used, what the practicalities are or where police officers should be sent. A whole range of matters is for ACPO, and I would not expect the Department for Transport to decide them, but the effective speed limit applying on our motorways should be controlled democratically. Similarly, I found that ACPO guidance advises police forces not to enforce 20 mph speed limits in cities. ACPO should not determine that when the Government have made it clear that they support more 20 mph speed limits in appropriate areas.

Under the Labour Government, ACPO—a largely unaccountable body—was given responsibility for safeguarding some of our basic human freedoms. A private company had the role of deciding how tasers should be used when such weapons, if misused, can be deadly. It had similar control over DNA. ACPO sent me an astonishing letter when questions were being asked about how people could have DNA data deleted from the police national computer. I will happily provide a full copy of the letter to anyone who wants to read it. It is dated 2006, and it advised that the following procedures should be adopted:

> "Upon receipt of a request for deletion of a PNC data entry the force"

should check that it can correctly identify the subject. That is absolutely fine. The letter goes on to say that

> "an applicant may request the deletion of"

their

> "record/DNA sample and profile/fingerprints"

and so forth when there are special circumstances. When that request is made, a check should be made on whether the data entry is correct. So far so good. It continues:

> "In the first instance applicants should be sent a letter informing them that the samples and associated PNC record are lawfully held and their request for deletion/destruction is refused".

[Dr Julian Huppert]

There is nothing before that in the letter requiring anyone to find out whether the information is lawfully held, and to work out whether to refuse it. That is a glaring omission. The letter then says that the applicant may write back explaining why the data should be deleted, after which the chief constable should look at the matter and decide whether there is a case to answer.

That is not what we should expect, and I hope that it is not what ACPO intended, but the letter certainly went to several police authorities, including mine, as guidance on the rules. The guidance was that applications should be rejected, and if that was questioned, the police should find out whether the data were correctly held. That should be reformed.

To be fair, ACPO is in a difficult position, and I think that Sir Hugh Orde has accepted the need to change how it operates. It has a grip on national policing but, as Sir Hugh has said,

"it is not through any choice; it is because someone has to do it."

It is partly the Government's responsibility to ensure that the right people are fulfilling the right tasks, and that we do not say, "These are tasks that the Government will not do," and force them on ACPO by accident. It is clear that we need to fix ACPO, and that the Government should have that role. I totally endorse the Government's decision to create a new professional body to provide leadership and to develop the police as a profession. That is an extremely positive step, and I am delighted that the Government are taking it.

I also support the idea of a body where chief constables can meet to discuss important policing matters, to deal with operational issues and to advise the Government with their expertise. That is right and proper. Chief constables should have that role, and I support its facilitation. We can keep the best bits of ACPO, and get rid of the other bits. We must ensure that those organisations, whether councils or bodies, are accountable and transparent. Will the Minister comment on whether they will be private companies and whether they will be subject to freedom of information? They must not decide the law of the land, so how will the Government decide what is an operational matter, and how will the powers be outlined?

There is more we can do. During the Committee's investigation, it became clear to me that we still do not have a good handle on evidence. This country has a long tradition of not using evidence-based policy, which applies to policing. It would be helpful to have an organisation that could provide reliable, independent and world-leading advice on policing. We need evidence-based policing, as well as more general evidence-based policy. I welcome the recent establishment of the British Society of Evidence Based Policing, and I hope that the Minister has had an opportunity to speak to it, and to hear what it has to say. One could come up with a number of interesting conclusions about policing styles and techniques that are driven by evidence. Britain leads the world. We train police officers in many parts of the country on executive leadership programmes, and the Minister, with the Chair of the Select Committee, kindly spoke at one of those events just before Christmas.

Much of that has been driven by an academic who is now based in Cambridge. Professor Larry Sherman is professor of criminology at that university, and he has a lot to say on this matter—I hope that the Government regularly listen to him. He recently gave the 2011 Benjamin Franklin medal lecture at the Royal Society for the Encouragement of Arts, Manufactures and Commerce. He said many interesting things, and I commend his speech to anyone who might be interested. He argued for the creation of a British academy of policing, which would be

"a civil society organisation uniting police associations with university faculties of policing in a self-governing professional body",

and could

"extend the global influence of British policing",

and provide politicians attempting to navigate a new policing structure with rigorous academic material. I endorse that, because it would be excellent to have the academic knowledge from our universities linked up with policing.

We have one of the best policing traditions in the world, but we must be able to reform it and we must be able to proceed on cogent evidence. There is always inertia with such a force, and some of it is necessary, but it should be changed from an evidence-based position. We need that rigorous change, and I hope that the Government will continue to head down that route.

I want to discuss some other issues. We have discussed the police IT company and organisational matters. I would like the police to deal with that better and to become more innovative by using small-scale ideas. I shall give two examples, using companies that are, not coincidentally of course, in my constituency. I have mentioned them briefly in the House.

Sepura makes radio handsets that are used by the police and other emergency services. It is doing some excellent work with West Midlands police in using those radios to record information about stop and search—I will not discuss the wider aspects of stop and search—and to log the location, time and other details of an incident that has just happened. I understand that that is extremely successful, because it saves time for police officers and provides more accurate and more accessible results. I am sure that the Minister remembers writing a letter to Sepura congratulating it on that work. I hope that we will see it rolled out in other areas, and that there will be other innovations.

Real VNC does similar work, but sadly only with the police in the United States, where there are similar systems. Hand-held devices can be used to access the main police computer in a secure and controlled way, so that the police can be more active, and can record directly at the scene instead of having to wait. It goes without saying that all existing IT systems need to be made to work. My experience with Cambridgeshire constabulary, from an evening that I spent with the police, was that it took about an hour and a half to download a video from a head-mounted camera. We need to fix such problems as well as be more innovative.

My final plea is that we should not focus too much on organisations. What matters in policing concerns what happens on the ground and with individuals, and the ward of East Chesterton in Cambridge, which I used to represent as a county councillor, contained excellent examples of that—I apologise to hon. Members who have heard me make that point previously. I would love to claim credit for all the brilliant innovations in that

ward, but they were not mine and were largely driven by PC Nick Percival—I still think of him as that, although he has now been promoted. He came along as our community beat manager and carried out a whole range of measures that made a difference in that relatively deprived part of Cambridge.

In his first year on the beat, Nick Percival managed to halve the amount of antisocial behaviour and crime that was reported, which was a huge achievement. If all our officers could manage such things—I realise that it is not that simple—this country would be a different place. He also managed to arrest fewer people than was usual for that area. Some saw that as a cause for criticism, but I saw it as a great triumph. Successful policing involves reducing the level of crime, and a greater number of arrests is not the aim.

I would like to highlight two things done by PC Nick Percival. First, he created a link with young people. That is important, especially when looking at the factors that led indirectly to the riots. We used to have a problem, particularly during school holidays, of young people getting bored, hanging around, causing trouble and smashing up bus shelters or engaging in other forms of small-scale antisocial behaviour. Nick Percival came up with the idea of a voucher scheme. Any young person in the ward who was seen playing well during the holidays by a police officer or a PCSO—we have had a great team of PCSOs over the years—was given a signed voucher by that officer. At the end of the holiday, everybody in the class at school that had the most vouchers received a £15 voucher for the local shopping centre. That was a cheap measure, and it transformed the area. Rather than having groups wandering around feeling bored, people would play and hope that a police officer would walk by. They desperately hoped that the cop would come over and find them, and they would say, "Hi PC Nick, good to see you." It would be fantastic to see that sort of relationship in more areas.

Tom Brake: My hon. Friend provides me with the opportunity to flag up an exciting proposal that has been put to me by an organisation called Cricket for Change. It is keen to work with those responsible for the training of PCSOs, and embed within that training a unit aimed at providing PCSOs with the skills that they need to engage young people in sport through games such as street cricket and tag rugby.

Dr Huppert: The idea outlined by my right hon. Friend sounds excellent, and I hope that it does well. There is much we need to do to engage with young people because of the risk that some see themselves as somehow detached from existing organisations. When the Committee took part in visits after the riots, people described how distrust of the police already existed and said that from an early stage they and their families had grown up distrusting the police. We have to break that down, and any initiative that leads to normal friendly relationships between the police and the general public must be a good thing.

The other initiative was a system called e-cops that originally started in East Chesterton but is now used across Cambridgeshire. It is a regular newsletter sent by the police to anybody in that area and includes information such as which roads PCs have been walking down. It was transformational in East Chesterton because instead of people saying, "Why do I never see a police officer on my street?"—frankly I would be worried if I always saw a police officer on my street—there was a hugely increased level of satisfaction in what the police were doing at minimal extra cost. One of the great things about e-cops was that it was set up in an informal, chatty style; it was clearly written by a PC or PCSO writing as themselves. The initiative was successful and spread across Cambridgeshire. It is now used more as a communications device, and I think that the formality has weakened some of its effect. The idea, however, was for people to know their local police as people, not only as a force to complain or argue about.

Policing is ultimately for and about people, not just national organisations. I hope that if we implement a number of the necessary reforms, albeit with many of the caveats described by the Committee and colleagues who have spoken in the debate, we will remember to think about people and look at what we can do to make things better for them.

3.54 pm

Mr David Hanson (Delyn) (Lab): I, too, welcome your chairmanship this afternoon, Mr Brady. Right hon. and hon. Members have already stated that policing and police organisation is a complex issue. In essence, however, I agree with the hon. Member for Cambridge (Dr Huppert), because the issue boils down to some simple truths, as is reflected in the contributions that have been made. Quite simply, how do we reduce crime and the fear of crime in an efficient and effective way that is accountable to the Peelian principle, already mentioned, that the public are the police and the police are the public? How do we ensure that those who work in that service on our behalf are treated fairly and with respect? I would like to explore those issues as they relate to the helpful report by the Committee and its Chair, my right hon. Friend the Member for Leicester East (Keith Vaz).

First, however, I pay tribute to the work that our police officers, and the civilian staff who support them, do daily to tackle crime and keep our communities safe. The public value that work highly and want a continued, visible policing presence. How we ensure that and manage the landscape in which police forces work is an important issue. As the hon. Member for Cambridge said, the public are not concerned about the organisation, the machinations involved or even, on occasion, accountability. They are concerned about outcomes. The Committee's report is an extremely thoughtful and comprehensive look at the new landscape of policing, and it raises important issues for our consideration.

[Mr Clive Betts *in the Chair*]

I welcome you to the Chair, Mr Betts. It is a pleasure to have you join us at the end of a fruitful discussion, and I hope that the Minister and I will summarise the debate in a way that gives you a feeling for it.

The Committee, under the able chairmanship of my right hon. Friend the Member for Leicester East, hunts in a pack; I know that from personal experience. It makes a great impact, and its ideas and suggestions are well considered and thought through. The report highlights a number of questions, some of which have effectively

[Mr David Hanson]

been answered by the passing of time since the report and the Government response were compiled. There are, however, still some important issues for consideration.

My right hon. Friend mentioned the phasing out of the National Policing Improvement Agency, and the impact and timing of that. Together with other members of the Committee, he looked at the position of post-Olympics counter-terrorism and the National Crime Agency, and he urged the Government to appoint the head of the National Crime Agency. The former chief constable of Warwickshire, Keith Bristow, has now taken that post. My right hon. Friend also raised the issue of the professional body for policing proposed by Peter Neyroud in his report, and we must discuss and flesh out some of those issues.

The importance of collaboration was also raised. The previous Government focused on that issue, and tried to allow police forces to obtain clear financial and operational benefits from collaboration. The Committee looked at IT, and I will return to that issue. The IT systems are not fit for purpose, and having 43 forces use different forms of IT is not a productive use of public money. That, too, is an issue that we need to address. The Winsor review of pay and conditions—a live issue even this week—is another subject to which I will return. There is also the work on bureaucracy undertaken by Jan Berry; that work is reflected on in the Committee's report. There are many issues to consider, and we have already heard useful contributions to the debate.

I say with genuine regret that the pace of change, and the Minister's drive and vision, which I accept is a genuine vision, still leaves the policing landscape muddled. That has impacted dramatically on the morale of police and police officers, which I believe is at an all-time low—my hon. Friend the Member for Walsall North (Mr Winnick) touched on that issue. Police officers to whom I speak are not opposed to reform and recognise that changes need to be made. They object, however, to the manner in which the Government have gone about the work, and officers seem to have a feeling of conflict, rather than seeking to bring people together with the Government on some of the important changes.

When I was fortunate enough to hold the Minister's position, some of the issues that I tried to drive through were similar to those that he is trying to drive through. In the Home Office, there were issues around efficiency, procurement and ways to improve pay, conditions and morale, which were—and are—important. However, I think that the handling of those issues has dampened morale and led police officers to feel that the Government are not on their side when it comes to fighting crime, reassuring the public, building confidence and providing a public service. As my right hon. Friend the Member for Leicester East mentioned, that has all been done against a background—I must refer to this—of massive cuts in public spending. Those cuts are well over and above what the previous Government planned, and are being made at a speed that we did not plan. They are front-loaded, which is not what the previous Government would have done. Cuts of 20% are being made. As my right hon. Friend the Member for Cardiff South and Penarth (Alun Michael) said, that is going too far, too fast.

Before the Minister says so, I will say that when I was in his position, we identified £1 billion in savings, or 12% of the policing budget, in areas such as procurement, overtime, reorganisation, collaboration and sharing, which are important. Her Majesty's inspectorate of constabulary, under Sir Denis O'Connor, confirmed that savings of 12% were achievable, but any more would affect the front line. I fear that not only the pace of change to the landscape, but the level of funding reduction, will affect the service and add to the morale issues, which are important to the members of the Committee who are here.

Mark Reckless: Is not one of the issues with morale that there is confusion between the 12% cut to total budgets and the 20% cut to the central grant? The front-loading that we hear about reflects, to a significant degree, a pay freeze in the early years. Yes, we must pay our police officers well, but if police officers are on average getting more than what 80% or 90% of people in their area do, as Blair Gibbs of Policy Exchange says in work published this week, we must take that into account and get a balance. We need the sort of reward that gives police pay for the right reasons, and not just because historically the work happens to have attracted an allowance.

Mr Hanson: I appreciate that. I know that the hon. Gentleman took an interest in policing matters as a member of the police authority in Kent before coming to this place. I hope that he recognises that we tried to address some issues, such as pay and reward, overtime and a whole range of allowances, in the policing White Paper produced in 2009; that paper fell, due to the small event of the general election in 2010. I recognise that those issues exist and must be tackled. I simply say to him and the Minister that the pace of the changes, coupled with massive cuts in public spending generally, over and above the 12%, has added to morale difficulties and will affect the front-line policing service.

Last year, a 7.5% cut was made in the policing budget. This year, an 8.7% cut will be made if the police grant settlement is approved when it comes before the House in the next few weeks. I repeat for the benefit of the House that the HMIC figures for the future—they are not our figures—show a loss of 16,000 officers and a potential loss of 16,000 civilian police staff. That makes a difference. Greater Manchester will lose 1,592 officers over the next three years, the Metropolitan police will lose 1,907 over the next few years and the West Midlands police will lose 1,250. Even Sussex will not be protected by the Minister, who represents it; it will lose 500 officers in that period. Those are not my figures; they were produced by the HMIC independently. That must have an impact on the policing landscape. Forces operating the A19 scheme, such as mine in north Wales, could lose some of their most experienced officers, ultimately replace them with less experienced officers, and then spend money on training to improve skills.

We need to consider the Select Committee report in the light of those cuts and concerns. Crime fell year on year for 14 or 15 years, not only under the Labour Government but during the last two or three years of the Major Government, but what is the record for the Minister's first year in charge? I say this with deep regret: in the first full year for which we have figures,

crime has risen. Burglary has increased by 10%, household theft by 13%, and theft from persons by 7%. Even during the recession under the last Government, crime fell; normally, crime rises during recessions. In the policing landscape, due to confusion, change and the speed of change, funding and all the other issues that we have discussed, crime is rising. The reduction in resources is being implemented unfairly and too fast, which is causing great difficulties.

The Minister for Policing and Criminal Justice (Nick Herbert): I am grateful to the right hon. Gentleman for giving way. He always reminds me of the importance of measuring crime by the British crime survey. Will he tell me by how much crime has increased, according to the British crime survey, during this Government's first year in office? He criticised the A19 procedure, under which police officers can be asked to retire after 30 years of service. Will he clarify whether he believes that that procedure should be scrapped?

Mr Hanson: The A19 procedure can be a useful resource; I am not against the general principle. The point that I am trying to make to the Minister, in a measured way, is that it is being used not because the principle is useful, but because forces such as mine in north Wales must save resources due to the budget cuts that he is imposing on them. However, that is background. This debate is about the landscape, not budget cuts, but I cannot divorce the budget cuts from the landscape, as I think the Minister will accept.

In addition, the inaugural election of the first swathe of police and crime commissioners will be held on a cold and possibly wet Thursday in November this year. I am not against elections on Thursdays in November; if they are good enough for the President of the United States, they might be good enough for police and crime commissioners.

Mr Robert Buckland (South Swindon) (Con): Those are on a Tuesday.

Mr Hanson: I bow to the hon. Gentleman's American knowledge. It may be that it is Thursday by the time I wake up after watching the elections and receive the results. That is an additional pressure. My right hon. Friend the Member for Cardiff South and Penarth is participating in the election for police and crime commissioners. For clarity, the Minister knows that although we oppose the principle, we will contest the elections and will see what happens. I hope that whoever is elected, we will have a series of competent, effective individuals who manage big budgets and big chief officers with experience, and who deliver a measure of accountability to the public. I disagree with the approach; I think that we can find accountability in different ways, and we considered the ways of doing so in police authorities. Those are some of the key concerns that we face as regards the policing landscape.

My right hon. Friend the Member for Leicester East discussed the new National Crime Agency. I welcome the appointment of Keith Bristow, former chief constable of Warwickshire, as its head, and I welcome its broad direction. My hon. Friend the Member for Tynemouth (Mr Campbell) and I, when exercising our responsibility for the Serious Organised Crime Agency, considered some of the concerns and believed that changes needed to be made.

I welcome the broad direction of travel, but the Minister must answer certain points raised in the Select Committee report and in this debate. The design of the National Crime Agency is still—I will give him the benefit of the doubt—emerging. We need legislation for it, and the detail of how it will operate. When will that be forthcoming? Keith Bristow is now in post, and it will be 12 or 15 months before he will begin to have a real impact. What are the key elements of the design of the National Crime Agency? I understand that e-crime and fraud still sit outside the new agency. Are they likely to be brought in? What will be the clarity of approach? What will be—again, members of the Select Committee touched on this—the governance arrangements? What will be the status of the head of the National Crime Agency? How will the Minister, Ministers or the Home Secretary have an impact on the day-to-day operational issues for the agency? What objectives will they set? What budget will they provide? Those are big vacuums regarding an issue that is of importance to me and my constituents, and of importance to how we effectively fight crime, nationally and internationally, at a time when the terrorist threat is significant.

Keith Vaz: The points that my right hon. Friend raises are similar to those raised by the Select Committee, and I welcome what he says about the Opposition supporting the general thrust of having an NCA and the appointment of Mr Bristow as its head. Our concern—and, it seems, my right hon. Friend's concern—is that the timetable may be too short; too many gaps in the landscape may not have been filled in before the agency is asked to do its work. The issue is not the principle, but the implementation.

Mr Hanson: I am grateful to my right hon. Friend for his intervention. I wish the Minister well on these issues; I know how difficult they are. There are real issues of international crime, ranging from drugs to terrorism to people trafficking. There are real issues of inter-regional crime, which the crime agency can deal with. There are issues of e-fraud, too. There are things that I have not thought of that, in four years' time, will be major crime issues and will have an impact on my constituents and the Minister's constituents. I wish Keith Bristow well, in the sense that I hope that the Minister will provide clarity on the objectives and the mission, give an indication of the budget and the areas of responsibility, bring forward the legislative framework and give an indication of the outcomes and the governance of the agency. That would be very helpful.

I say that because at the same time that the Minister established the National Crime Agency, he gave a firm indication of notice to the National Policing Improvement Agency, which did a very good job in some areas, although—as with all of us—in other areas, there was the potential for criticism. It is one thing to have a bonfire of the quangos and to remove the NPIA from the policing landscape, but that announcement was made in July 2010. Fourteen months on, what progress is being made on the definition of the transfer and on the protection of the public as a whole? The NPIA is due to vanish in December 2012. Perhaps it is me, but I

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am still unsure where the home is for police training, leadership development, forensics, the police national computer and the DNA database. As I said, that might be me. I will give the Minister credit. I do not have the information flow that he has. Perhaps that information has been provided, but I would like to know from him what is happening on those points. I say that because the uncertainty means that staff are leaving. Staff will not stay on the ship when they are not sure where the ship is going.

Whatever its difficulties and challenges, the NPIA did bring together, for the first time, national support for change in people, processes and technology. It did deliver some technology and change programmes; it helped with the development of neighbourhood policing, for example. I am not sure where that strategic view is for the future. The NPIA is due to go in December 2012. Police and crime commissioners will be elected by their local communities, but anyone could be elected. We do not know what the individual qualities will be of each person elected. Where is the strategic examination for the future?

I worry about a changed landscape in which new police and crime commissioners are coming in, finding their feet and getting up and running at a time when crime is not just finding its feet, when the NPIA is exiting the stage, when the functions have not necessarily been finalised, and when the crime agency is not yet up and running. I worry that crime and criminals will continue to find ways to seep through the gaps. We need to be ever vigilant; criminals will be. I worry about the speed at which things are happening and the lack of clarity about the journey's end.

We also have a concern about information and communications technology. Again, I can be helpful: the Home Secretary, on 15 December, confirmed that

"the Government...intend to establish an information and communications technology...company. The company will be responsible for the procurement, implementation and management of complex contracts for information technology".—[*Official Report*, 15 December 2011; Vol. 537, c. 126WS.]

Indeed, I saw a tweet—that new modern technology—only two hours ago from the chief of the NPIA, who says that he is in a hot room in London talking about ICT as we speak.

Nick Herbert: Good.

Mr Hanson: I say "good", too. I would appreciate an update.

Keith Vaz: Is it wise for the head of the NPIA, which deals with organised crime, to tell all those organised criminals outside exactly where he is and what he is doing?

Mr Hanson: I think that the information he gives—"I am developing a computer system to close you down, and to help support policing"—is not necessarily operationally significant. The point that I am making to the Minister is that we are in January 2012, and he has said that the elections for police and crime commissioners will be in November 2012. He wants police authorities to be signed up to the integrated computer technology, and he wants the police and crime commissioners to be signed up to it in due course, yet months after the initial announcement, we are still at the stage of the Government saying, "We intend to establish a company."

Let me ask the Minister this: how many police authorities have signed up to that company? Does he intend to force collaboration with the Government if they do not sign up to it? What does he anticipate the company doing differently in the next 12 months? What will be the two-to-three-year plan for the company? To whom is the company accountable? When the company is formed, what happens if someone stands for election as a police and crime commissioner on a platform of wanting an independent police computer system for a police authority, and is elected? Will the Minister compel them to take part?

We need to explore those issues as part of the ongoing policing landscape. I just wonder about the pace and scale of the changes. I wish the Minister good luck in establishing the computer system, but will he please help us to give him that good luck by giving us answers? Will he give us the when, where, why, and how, and say who has signed up, what will happen and what will be the pace of the change?

With the NPIA going, I wonder who will be the value-for-money arbiter. Who will undertake the role of establishing the overall scheme of policing for the future?

Let me deal with the Winsor proposals, because the police arbitration panel has this week produced its report. Traditionally, police arbitration panels have always been difficult places for Policing Ministers to go. I will not disguise the fact that I, my predecessors and others have had occasion to engage in a hand-to-hand way with police arbitration panels. That is not a national secret. However, I would welcome the Minister's saying today when he intends to respond to the current police arbitration panel report. Given the letter that the general secretary and the chairman of the Police Federation sent to the Home Secretary on 10 January saying that they are willing to abide by the arbitration panel's decision, even though it causes them some difficulty, as the Minister knows, I would particularly welcome a response from him.

Without giving us too much information today—although if the Minister is able to give us information, that would be great—is he minded to let us know whether he intends to abide by the police arbitration panel decision? More importantly, if he does not abide by it, will he give the House of Commons, as he promised before the election, an opportunity to debate and, potentially, vote on that decision? I would hate him to break an election promise. That was what the right hon. Member for Carshalton and Wallington (Tom Brake) did when he promised 3,000 extra police officers and then voted to reduce the number by 16,000 over the next three years. I would love the Minister to stick with his election promise and accept the police arbitration panel decision—or, if he does not, allow a vote in the House of Commons.

I would like further information on how the Minister will monitor the police and crime commissioners in the new landscape. In a written ministerial statement from just before Christmas on the National Policing Improvement Agency, he said that it currently advises on value for money, and that it will continue to do so until November 2012. Is it his view that after that date it will be part of

the policing landscape for police and crime commissioners to be solely accountable for value-for-money issues relating to policing in their area? They will be accountable for that, but I would like to know who will monitor that. Who will monitor their performance, and will there be targets or guidance from the Home Office? In the written ministerial statement, he said that

"police and crime commissioners will drive value for money in the police service with further support where necessary."

What does he mean? Is he going to set the ship of state sailing, or will he have some central examination of the issue?

Finally, I have two responses on the issues of policing. The first relates to leadership. I echo what the hon. Member for Cambridge said in his speech about the police constable, whose name I have forgotten at the moment. What struck me about the hon. Gentleman's case study is that it is about leadership. In April, I will have been a Member of Parliament for my area for 20 years, as will you, Mr Betts. In my 20 years, I have had 14 or 15 inspectors in my area. Most have passed through like ships in the night, on the way to either retirement or promotion. The ones who have been very good are those who have really shown leadership. The performance of the police on the ground—the police constable example makes that explicit—are the people who have the best leadership skills and who show vision, commitment and energy and therefore deliver an energising impact. I welcome the focus on leadership that has been discussed by Peter Neyroud and others in relation to improving the skills and qualifications of police officers, because it is very good to energise the police in that way. I ask the Minister how that will be done at a national level. There are real issues that we should examine, so that we can have a flavour of how that will be done in future.

I had a last point, which I will make when I find the right piece of paper—it appears to have slipped my notice at the moment. To conclude, we cannot consider the changes to the policing landscape without looking at their financial implications. The speed and pace of changes introduced by the Minister is, in my view, damaging to police morale. That is the end-point of this experiment—I use the word advisedly—in changes to policing that the Minister is making. My right hon. Friend the Member for Leicester East and his Select Committee have reflected concerns about the demise of the NPIA, the approach of the new National Crime Agency and the damage-to-morale issues.

Helpfully, I have recalled my final point, just before I finished. It relates to the wind-down of the National Policing Improvement Agency, and to the new policing professional body. In principle, that is a good thing, because it relates to the leadership point that I mentioned. Raising standards, skills and investment in policing, and looking at professional standards and at how the Association of Chief Police Officers interfaces with the rest of the policing world is important. I would welcome clarification from the Minister on whether Police Federation members are signed up to the new professional body, and on how he will bring those important participants with him on his journey to his final nirvana. What consultation has he or the Secretary of State had with them to date on that issue? If we are to achieve an effective police force, we need not only the confidence of the public and to ensure that criminals are borne down on, but to take the staff who work in that service with us.

My contention is that although we share some views with the Minister, and our desired outcomes are probably the same—reduced crime, increased confidence, better efficiency and valuing the staff in the service—the Minister and I have a different approach. The Select Committee has raised some concerns that the Opposition share, and I look forward to hearing the Minister answer not only my questions but those asked by the Members gathered here.

4.25 pm

The Minister for Policing and Criminal Justice (Nick Herbert): I welcome the report of the Home Affairs Committee on the "New Landscape of Policing", to which the Government have responded, as being a very considered and thoughtful contribution to the changing landscape of policing and the Government's reforms. I also welcome the debate that the Chairman of the Select Committee has introduced today and the opportunity that it has given for the members of the Select Committee, the official Opposition and, indeed, the Government to consider, in a very constructive manner, the challenges that currently face British policing.

Precisely because right hon. and hon. Members have referred to the pace of change of the reforms and because those reforms are significant, as the right hon. Member for Leicester East (Keith Vaz) said, it is important for me to remind them of the reasons why the Government embarked on such a reform programme. It is not, as the right hon. Gentleman suggested, because the Government wish to make their mark, because they are a new Government or because change for change's sake is a good thing. None of those is an adequate reason to embark on a reform agenda of such a scale.

The reason for the reforms is that policing faces significant challenges, which have changed—some have changed recently and significantly—and we should ensure that British policing is equipped to change with them. Clearly, crime and the need to fight it are ongoing challenges, but new challenges are emerging in relation to new forms of crime. There is ongoing concern about certain forms of crime, not least serious and organised crime—hon. Members have mentioned cybercrime—and there is considerable public concern about antisocial behaviour, much of which is criminality that we must ensure the police can deal with.

Therefore, there is a challenge of dealing with a high volume of crime locally and ensuring that policing is equipped to deal with national problems and national threats. As that is a twin challenge, we have had to look again at the structure of British policing. The Government are not the only ones who have taken that view. It is also the view of policing professionals that the structure of British policing needs to adapt to deal with those challenges. However, there are differing visions of what those new structures should be, and I will return to that point later.

The second new challenge is an obvious one—it was referred to by the shadow Policing Minister, the right hon. Member for Delyn (Mr Hanson)—and it is the funding situation. It is a fact that funding for policing is being reduced during the four-year period of the spending

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review, because the Government have to deal with the deficit. The right hon. Gentleman admitted that funding would have been reduced by his party if it had remained in power. Therefore, under any Government, the police would have to deal with significant reductions in funding. There is a debate about what the level of those reductions should be, but there is no doubt now that, under any Government, the police would have to deal with a very significant reduction in funding. At the end of a period of considerable expansion, during which policing resources have risen year on year and police numbers have risen accordingly, that reduction in funding is obviously a very significant change that the police have to deal with.

The third challenge, or issue, had been neglected, at least in part, for too long, although it was referred to by some Members during the debate, and it is the role of the public in partnership with the police to help fight crime. Indeed, what exactly is the relationship between the police and the public? That relationship can be tested and has sometimes come into focus when we have experienced or debated certain events in policing, whether they are highly controversial police operations—for instance, public order policing operations—or events in relation to the ongoing discussion about community policing and the importance of a strong connection between the police and the public, which is necessary to ensure that there is community policing that commands public confidence. As the right hon. Member for Cardiff South and Penarth (Alun Michael) reminded us, Peel—the founder of modern policing—bequeathed to us the important principle that the police are the public and the public are the police. The legitimacy of British policing is conferred by policing by consent and by public confidence in the great public service that is the police.

The Government did not believe that it would be possible for policing to rise to any of the challenges that I have mentioned—maintaining both public confidence in the police and a strong link between the police and the public, dealing with declining policing budgets, ensuring a continuing fight against crime and dealing with the new challenges in fighting crime—with the existing structures, nor with the means by which the previous Government had sought to drive up standards. I say that in a non-partisan manner, but essentially those means were top-down targeting and direction that sought to lever up standards by central control.

With that approach came a proliferation of bureaucracy and a level of direction that had not been experienced in policing before. The policing pledge is a very good example. It was a highly prescriptive central pledge that told police forces exactly how they should behave—for example, even how they should answer telephone calls. This Government have had a different approach to the delivery of public services, which is to seek to decentralise and reduce—or even eliminate—all that top-down central direction. Instead, we have tried to ensure that there is greater accountability, as a means of holding public services to account and making them responsible for the outcomes that they are required to deliver.

I entirely reject the suggestion made again today by the shadow Policing Minister that there is a lack of coherence—indeed, that there is a muddle—in the agenda that the Government have set out in relation to police reform. I would argue strongly that our approach is an entirely coherent one that enables the police to meet today's challenges. I say that because, as I have argued before, there has been a paradox in policing in the last few years. That paradox is that central Government interfered far too much in local policing matters and were far too directive where they should not have been, while they were not always strong enough on the national policing matters that required central Government to exert a stronger view or influence.

We have sought to turn that paradox on its head and to restore local accountability, professional freedom and professional discretion where it is proper to do so, thus freeing up the police to be the crime fighters that they want to be and ensuring greater local accountability, while refocusing the role of the centre and the Home Office on those matters that they should be focused on, particularly national threats, to ensure that we have a strong policing response not only to the terrorist threat but to other threats—for example, serious and organised crime.

The alternative vision that has been set out by some, but not all, in policing was experimented with by the previous Government, and it is to create regional police forces as a means of addressing the new challenges that we face. That vision did not find favour in the country or in the House, and in the end the last Government decided not to proceed with it. I do not believe that it is a deliverable vision. In the absence of the creation of regional forces, if we say that we want to retain 43 individual forces—43 or thereabouts—we must then answer this question: how do we ensure that we have a structure that enables those 43 forces in England and Wales to be accountable to their local communities, where the chief constable is responsible for the totality of policing and those who are holding the chief constables to account hold them to account for the totality of policing, but that ensures that those 43 forces co-operate and collaborate, so that they can work efficiently, driving out unnecessary cost, and deal with serious and organised crime and those threats that cross force boundaries?

In my view, it is absolutely coherent—indeed, it is entirely the right approach—to say that we should on the one hand enhance local accountability through the election of police and crime commissioners, while on the other hand introducing a new national crime agency to strengthen the fight against serious and organised crime, to strengthen our borders and to deal with the new crime threats. Moreover, that new agency will not only work with police forces but have a significant new role in its relationship with those forces, as expressed through a new strategic policing requirement.

Alun Michael: The Minister is reflecting the tension that exists between ensuring that strategic national and regional issues are dealt with and ensuring that there is proper local accountability. Obviously, the Government have chosen the election of police and crime commissioners as their instrument to ensure local accountability. However, does he accept that part of the last Government's approach—I suspect that it is something that he might agree with—was to strengthen the element of local partnership by requiring the police, down at local commander level, to work with the local authorities in their area, by putting a responsibility on local authorities and other agencies to engage in that partnership approach

and by ensuring a connection between police interpretation and the public view of crime that needed to be dealt with? In particular, at that local level, the police should be judged on their success in reducing crime and disorder.

Nick Herbert: I was going to come to that, but I am very happy to respond to the right hon. Gentleman and to repeat what I have said to him, to which he has kindly referred. The development of partnerships between the police and local authorities and, indeed, other partners was an important step forward, and he played a particularly central role in ensuring that that was delivered under the previous Government. I think that it is widely accepted that such partnerships can be effective in reducing crime, and the Government wish to see them strengthened and continued, in spite of diminishing resource.

Up and down the country, I have seen action-oriented partnerships with a purpose that are not bureaucratic and that can deliver the kinds of results that the right hon. Gentleman was discussing. Others are more bureaucratic, and they need to adapt to the new world in which resources are at a premium and to ensure that their focus is very action-oriented, but we wish the partnerships to continue. We also wish to ensure that the police and crime commissioners are part of the arrangements and do not work against them, and we have conferred duties on all sides to ensure that. I am happy to endorse the important principle of partnership.

We need action locally and nationally to ensure that policing is structured such that it can meet the demands both of the volume of crime and of the population, in relation to the day-to-day antisocial behaviour and crime issues affecting it. However, we must also ensure that policing is equipped to deal with more serious issues, which, in the end, also affect people's everyday lives. Drugs issues, for example, are linked to serious and organised criminality. A new strategic policing requirement will ensure for the first time that police forces and the newly elected police and crime commissioners are equipped to deal with those national threats. The creation of the National Crime Agency, along with the Organised Crime Co-ordination Centre in an intelligence-led approach and the introduction of police and crime commissioners is a strong, coherent and powerful response to the challenges that I have described.

The Chairman of the Select Committee, the right hon. Member for Leicester East, reflected on the Government's ambition to declutter the policing landscape, and I welcome the fact that he noted that that would not necessarily relate to the number of bodies but could involve a more logical ordering of the existing national policing bodies. I of course believe that the phasing out of the National Policing Improvement Agency was the right decision, and I have said so to the Select Committee. There were accountability issues, in spite of the many good things that the agency did and does—I certainly join others in paying tribute to its functions, and I have noted the comments made by my hon. Friend the Member for Cambridge (Dr Huppert). Wishing to change the accountability arrangements for the functions, however, to find a better home for them, is not the same as saying that the Government do not value them. The agency clearly does important things, but it has become a kind of Christmas tree quango, with many policing functions loaded on to it and ownership and responsibility for what it was doing neither clearly with the Government nor with the police service.

We think that it is both coherent and right to seek greater accountability for the agency's two principal functions. Of course, it is responsible for many other things. On the one hand there is IT and the development of improved information and communications technology for policing, which is so important, and has been referred to, and on the other is the training and development function, which is equally important to policing's human resources. Separating those functions by creating a police-owned and led ICT company, for which the police service will accept responsibility, is the right solution to ensure better IT and a more coherent approach. These issues have bedevilled policing for too many years, and since we are having a sensible debate, we must reflect on why, even after more than a decade of rapidly rising resource for policing, we have still ended up with police IT systems that, frankly, are not good enough. They are disjointed, require multiple keyed entry by police officers and add to the bureaucratic burden.

Mr Hanson: I want to be helpful. Will the Minister address the question I asked: how many police authorities have signed up to or bought into the principle of a national IT company, and what is the scope for police commissioners, when elected, to withdraw from such a company?

Nick Herbert: We made the announcements about the destination of the functions and the establishment of a police-led ICT company in December, and we will make further announcements in due course. The principle, however, is clear: we wish police forces to buy into this—to use the right hon. Gentleman's words—and we expect them to do so, because it is the means by which they can secure better IT in the future.

Mr Hanson: I do not want to be critical, just clear. If the forces do not buy into it—I accept that that is my phrase—will the Minister undertake to introduce compulsion to ensure that they do so?

Nick Herbert: As I have said before, I might not have been in the House of Commons for as long as the right hon. Gentleman, but I have learned not to answer hypothetical questions, and I do not intend to answer that one. We expect that chief constables and police authorities, and in succession to them police and crime commissioners, will be incentivised and want to be part of this new arrangement for delivering IT, because it will ensure a better service for them. It is the right approach to securing better ICT in the future.

On the other side, we have the training and development function, and I am pleased that the Chair of the Select Committee and, I think, Members on both sides of the House have welcomed the idea of the creation of a professional body for policing. I am immensely encouraged that the approach has captured the enthusiasm of police leaders.

In answer to the question about the involvement of the Police Federation, it is true that the federation expressed concern about the Neyroud report, which we had commissioned and which first proposed a body of some kind, partly because it stated that effectively the

[Nick Herbert]

Association of Chief Police Officers would be the body's heart and soul—I think that that was the expression used. The federation expressed the concern, among others, that it would not, therefore, be a body for the rank and file.

Mark Reckless: I think the phrase was "both the heart and the head".

Nick Herbert: I am very grateful to my hon. Friend; that was indeed the expression.

We have made it clear that we wish to reconceive the idea of a professional body for policing and to ensure that it is inclusive. That is one of the important principles that I have set out, and I have a working party looking at how we would set up such a body. I am very pleased that in spite of the continued reservations of the Police Federation, which I acknowledge because I do not wish to mislead Members, the federation's chairman has been attending the working party meetings. The Police Superintendents Association is also represented, as are the ACPO representatives and UNISON, and we now have representation from the police and crime commissioners' side as well. I am also seeking some independent advice for the working party.

Alun Michael: Unless I missed it, I do not think that the Minister referred to the Police Superintendents Association, and in my experience its contribution, at that level of senior but local management, can often provide a crucial element in such discussions. Is the association included?

Nick Herbert: I agree with the right hon. Gentleman about the value of the advice of the Police Superintendents Association. I certainly share his view and have mentioned that the association is represented, which is important. I want to make it clear that we envisage that this will be an inclusive body. It is important that we raise our sights and consider the great advantage of the creation of a professional body that will have responsibility for standards, professional development and training. That is something that I think has been absent from the policing world. It is surprising that policing does not have such a body, which will be immensely positive.

I will explain briefly why this is so important. The development of professionalism in policing—the acquisition of the right skills—is an important part of our agenda to ensure that police officers are equipped to deal with modern challenges without the kind of bureaucratic approach that we have seen in the past. If we are to develop in policing an agenda of trusting professionals and the extension of professional discretion, we must ensure alongside that that police officers are trained, equipped and incentivised in a way that reflects the exercise of professional judgment, skills and discretion that commands public confidence and trust.

Mark Reckless: The Minister has said that he has secured representation from the police and crime commissioners, but I am puzzled because they will not be elected until November. In his report, Mr Neyroud suggests that there could be ministerial representation on the body in charge of the professional body, but he is not so keen on the elected commissioners, whom he wants to see on a consultative panel on the side. Has that been reviewed? Will the Minister clarify his remarks?

Nick Herbert: I noticed my hon. Friend's puzzlement, so I should have offered clarification. What I meant is that Kit Malthouse, the deputy Mayor of London who has responsibility for policing in London, now attends the working party that I have set up, as does the chair of the Association of Police Authorities, Mark Burns-Williamson, who is also the chair of West Yorkshire police authority. That side of the tripartite is now represented, as are the policing professionals, which is important. Moreover, on Monday the arrangements will change so that, effectively, the first police and crime commissioner will be created in London. That is what I meant.

Alun Michael: With the greatest respect to the Minister—I do not want to introduce a note of disharmony—to describe the deputy Mayor of London as equivalent to a police and crime commissioner is, frankly, ridiculous. The whole point of the principle of police and crime commissioners, as the Minister has spelled out, is that they should be elected and accountable for policing issues to the electorate of the police force area. My personal view is that the exclusion of the Metropolitan police and the City of London police demonstrates a lack of confidence on the Government's part in the posts that they are establishing. I do not object to their engagement in what will be such an important function, but they really do not have the authority to be there as precursors of the police and crime commissioners. The engagement of the APA's representative is sensible in terms of continuity, but there is still a gap.

Nick Herbert: I disagree with the right hon. Gentleman. I know that he is keen to become a police and crime commissioner—I welcome that—but he must not get ahead of himself. It is sensible to ensure, as we did in the negotiations on the protocol, that there is representation from those nominated by existing police authorities and from the deputy mayor, because he has responsibility for holding to account a quarter of policing in England and Wales. As I have said, on Monday the Mayor will become the police and crime commissioner, in law, for London, so it is entirely appropriate to have that representation on the working party. I emphasise that it is a working party.

Alun Michael *indicated dissent.*

Nick Herbert: I am surprised that the right hon. Gentleman is shaking his head. It makes sense to have those two individuals on the working party, given the acceleration of this process in London ahead of the election of police and crime commissioners, the date of which—this November—will, as sure as night follows day, be firmly noted in the right hon. Gentleman's diary.

Alun Michael: As I have said, it makes sense for representatives of the police authorities to be involved in the discussion, because they have experience, which helps continuity. However, although the situation in London may end up in law via the attachment of the words "police and crime commissioner" to an individual's

name, that is not what the Minister is putting in place everywhere else in England and Wales, namely the direct election of somebody to be responsible for policing in a police force area. The situation in London is inevitably muddled, and the Mayor is also involved in decisions on a number of issues that are relevant to police in the rest of England and Wales. That may be reviewed in a couple of years' time, but at the moment such decisions go well beyond the Metropolitan police area. The situation is not as clear as the Minister suggests.

Nick Herbert: Yes, it is. I am completely bemused by the right hon. Gentleman's intervention. The Mayor has responsibility in London. That will become an enhanced responsibility on Monday, because the Metropolitan Police Authority will be abolished and the Mayor will take full responsibility for policing and will become the police and crime commissioner for London—in law. The first police and crime commissioner will be created.

Alun Michael: In law, but not reality.

Nick Herbert: In law, on Monday. It is up to the Mayor whether he wishes to delegate that function. That power of delegation was, of course, established by the previous Government, so I am sure that there will be no criticism of it whatsoever. It makes sense for us to ensure that the deputy Mayor of London, as the person responsible, at present, for holding to account the country's biggest police force and a quarter of all police officers, takes part in such discussions, because he can give voice to those who hold, and who will hold, police forces to account.

Mark Reckless: When I was a member of the Kent police authority, I was appointed by Medway council, which is an elected body. Surely that provides an analogy with Mr Malthouse, who has been appointed by the elected Mayor. The purpose of this reform is to increase democratic accountability. Although I welcome what is happening in London, it is different from elsewhere. I am not sure that Members are convinced by the idea that someone who is merely appointed by someone who is elected, or who is an independent member of a police authority, can somehow represent, in advance, elected commissioners. To the extent that there is to be an elective impact, whether with the protocol or other developments, that should come from hon. Members, who are elected, and we ask the Minister to consider our views, rather than look to people who are appointed by others.

Nick Herbert: I do not consider that to be an alternative. I pay attention to all views expressed on the issues, but I certainly have no intention of placing a Member of Parliament on a working party for the development of the professional body. The working party consists of policing professionals and representatives of policing organisations. I have sought to add, in a way that is entirely sensible, those who hold police forces to account. Of course, we will continue to discuss with the Committee and with hon. Members the development of a policing professional body, which is an entirely sensible thing.

That brings me on to the second part of my speech. The first phase of the police reform agenda was about structures and that work will continue as we set up the National Crime Agency.

Keith Vaz: I am sorry to take the Minister back to an earlier point in his interesting speech, but a number of us who were involved in the Committee report have raised the issue of where the functions of the NPIA will go, and he has said that he will announce the destination of the rest of those functions shortly. Can he be more specific than that? Some of us have been around for a long time and know that, when Ministers say that something will be announced in spring, summer or winter, the issue tends to go on beyond the season mentioned. Can we have a definitive date—perhaps the end of February or January—or something more specific?

Nick Herbert: I am sorry, but I will not be able to give the right hon. Gentleman a definitive date. I can give him three words in due course, and we will announce the destination of those functions. It is important to consider and consult on these matters carefully, and that is the approach we have sought to take.

An issue relating to the next phase of the police reform agenda that is so important and relevant to the discussion we were having on the professional body is that of people. Of course, people—police officers and staff—are the greatest asset of any police force. It is those people who enable us to fight crime, and it is important that we ensure that they are remunerated appropriately. We also need to ensure that they are motivated and are working in employment conditions and structures that reflect the demands of today's age, that are up to date and that ensure that resources can be directed to the front line.

It is in that regard that we established a pay and conditions review led by the independent rail regulator, Tom Winsor. He reported in part one of that review and made proposals for changing pay and conditions. The Government accepted the principles that he set out. Those proposals were remitted to the Police Negotiating Board, which failed to reach agreement, so they therefore went for arbitration. As the right hon. Member for Delyn has pointed out, the Police Arbitration Tribunal has this week made recommendations in relation to the Winsor proposals. He will know that I cannot be drawn into giving him any indication of the Government's response to those proposals, other than to say that the Home Secretary will consider them very carefully in line with her statutory duties.

Police officers do an immensely important job. They often do difficult and dangerous work, they are unable to strike and it is important that the country values them. They are relatively well-paid, and it is important that they should continue to be so and that they continue to be valued. I appreciate that this is a difficult time for those who work in the police service, given that there are budgetary reductions, to which I will come shortly, and given that police officers are being asked to accept a two-year pay freeze and changes to their pension, which is also true for other public services. I therefore appreciate the issues about morale that were raised by hon. Members from all parties. However, it is important that the Government take action to deal with the deficit and ensure police forces are equipped to deal with challenges and that resources are directed appropriately.

Mr Hanson: I have tried, but I accept the Minister's response. Will he indicate by what date he expects to be able to respond? If he opposes the arbitration panel's resource outcome, will he allow a debate in the House as promised previously?

Nick Herbert: I am afraid that I cannot satisfy the right hon. Gentleman on either count. That is the second hypothetical matter he has raised this evening. As I have said, we will consider the recommendations of the Police Arbitration Tribunal very carefully, and it is absolutely right that we should do so.

I join right hon. and hon. Members in paying tribute to police officers and, indeed, staff. The Chair of the Select Committee referred to the reception that was held in No. 10 Downing street yesterday by the Prime Minister to mark the contribution of those who helped to deal with the disorder last summer—not only police officers, but police staff and those who worked in the other emergency services and local government. The Prime Minister spoke fulsomely about the importance of what they and their colleagues had done in the summer.

I myself was reminded of what police officers do for us by the dreadful stabbings of three officers that took place in the Metropolitan police area before Christmas. Those young officers bore serious injuries. We should always remember what an important job the police do for the country. It is also important that the Government restate to the police service that we are having to take difficult decisions in common with those that affect other public services. None of that should allow the police service to believe that we do not value police officers or want to do the best for the police service in the future. I certainly wish to do the best for the service in the future, and for those who work in it.

I will pick up one or two specific points before I conclude. My right hon. Friend the Member for Carshalton and Wallington (Tom Brake) mentioned the budget for police and crime panels and questioned how it is derived. It is important to restate that police and crime panels are not ongoing police authorities with the responsibilities of police authorities. Those responsibilities will be taken by police and crime commissioners. Police and crime panels have an important scrutiny role in providing a check and balance that is carefully defined in the legislation that we debated. Their role should not be expanded, and they do not need anything like the kind of resource that police authorities have. The limited funding that has been provided to panels will enable them to do their scrutiny job. My hon. Friend the Member for Rochester and Strood (Mark Reckless), who intervened, made that point very effectively.

I agree with the comments made by my right hon. Friend the Member for Carshalton and Wallington about the police professional body and the importance of dealing with diversity issues. That is a very good example of the kind of thing we could expect a police professional body to take up. It is difficult to see where responsibility for those issues lies at the moment. One of the things a professional body could be responsible for is ensuring that we can make greater progress in recruiting a diversity of police officers.

My right hon. Friend spoke about the importance of collaboration with local authorities, to which I referred in my response to the right hon. Member for Cardiff South and Penarth. I endorse that. As my hon. Friend noted, I visited Sutton, where there is a very good example of police force and local authority co-operation. We would like to see more of that, but we are not going to prescribe it. We seek to enable and encourage such an approach, but we do not want to have a directive or master plan that tells police forces how they should go about it.

The right hon. Member for Cardiff South and Penarth launched his campaign to be police and crime commissioner for south Wales. I wish him the very best of luck in that regard and genuinely welcome his candidacy. He raised again the issue of the status of Cardiff as the capital of Wales and made a bid for the force receiving some kind of grant in recognition of that in the same way that the Metropolitan police receives a capital city grant. He has raised that issue with me before, and my hon. Friend the Member for Vale of Glamorgan (Alun Cairns) has also raised it with me separately. In response to my hon. Friend, I asked the chief constable to supply me with the financial information that would make the case for such a grant. Clearly, resources are tight. It is a difficult request, because it would require removing grant from those who would otherwise be receiving it. These are the decisions that Ministers have to take, but I have undertaken to consider the issue in a sensible manner—I am happy to reassure him about that.

My hon. Friend the Member for Cambridge, whom I welcome to this debate of Privy Counsellors, spoke about the importance of evidence-based policy in policing, as did my right hon. Friend the Member for Carshalton and Wallington. I strongly agree with both of them on this matter. I welcome the ideas set out by Professor Sherman, whom I would like to meet again shortly to discuss these matters. I do not know whether my hon. Friend the Member for Cambridge can organise a convivial dinner in Cambridge, but I would be very happy to attend.

Dr Huppert: I am not sure that I have ever had a Minister make a request for such a meeting before—not that way around. I would be delighted to host him and Professor Sherman. I am sure that we can arrange that.

Nick Herbert: I am very grateful to my hon. Friend. That is a deal. I would be delighted to come up to the town of my birth and discuss these issues with Professor Sherman, because they are important. The absence of greater academic co-ordination and interest in the evidence for good policing practice is something that we should collectively seek to try and redress.

Tom Brake: Has the Minister gone further than interest on this matter? In the new landscape, where does he think that body of evidence will be held?

Nick Herbert: That is a very good question to which I do not have an immediate or off-the-cuff answer. I am loth to suggest the creation of some kind of Government-sponsored body for obvious reasons—we are seeking to reduce the number of quangos and declutter the policing landscape—but that is not to say that there is not a value in looking at who might be responsible for, or encouraging in academia, this kind of work. I am not necessarily endorsing Professor Sherman's call for some kind of British institute as an additional policing body,

but it is worth having the discussion about where this kind of evidence-led approach could be developed. It could be that there are aspects that can be led by the professional body. Professor Sherman thought otherwise—he thought that it would be for others—but these two things might not be mutually exclusive.

May I turn—briefly, because I am aware of the time moving on and I apologise for that—to some of the remarks made by the right hon. Member for Delyn? I have sought to deal with some of them in relation to what I consider to be the coherence of the Government's policing reforms and the issue of the morale of police officers. I cannot leave unremarked his point about police numbers and the cuts in policing. Of course, the kinds of reduction in police funding that the previous Government have admitted that they were considering —cuts of £1 billion a year in police funding—would inevitably have resulted in fewer people working in policing. It is impossible to see how they could have made savings year-on-year without a smaller work force. Therefore, it is important that those in policing should understand that reductions in manpower were going to happen under any Government. Of course, the issue is the extent to which that has to happen, but I point out to the right hon. Gentleman that Her Majesty's inspectorate of constabulary's report on what has happened so far in those reductions in funding shows just a 2% reduction in officers on the front line.

We know that in the back and middle offices of policing, using the definition supplied to us by the inspectorate of constabulary, there are approximately 25,000 police officers. It is therefore simply wrong to suggest that a reduction in manpower necessarily means that the front line will be affected or damaged. The right debate is about how policing should be transformed, restructured and made more efficient so that resource continues to get to the front line. Police forces up and down the country are showing that that is possible, and that the kind of characterisation of the debate we have seen from the Opposition is wrong and will be shown, in the end, to be wrong. I believe that police forces are rising to the challenge of reorganising, driving out cost and ensuring that they can continue to deliver a service to the public.

The right hon. Gentleman raised the issue of who would be responsible for ensuring that police and crime commissioners would deliver value for money. Of course, there is the ongoing responsibility of Her Majesty's inspectorate of constabulary in that regard, but ultimately police and crime commissioners will answer to the public—that is the force of this reform. We are not appointing police and crime commissioners, because the public are electing them. The commissioners will be strongly incentivised to deliver value for money for the British public. The right hon. Gentleman asked whether we are going to set further targets. No, we are not going to set targets for police and crime commissioners. We have abolished policing targets, because we seek a different approach that gives greater freedom.

That concludes the remarks that I want to make in the debate. I apologise for speaking at some length, but I wished seriously to engage with the points made by hon. Members. I welcome the Home Affairs Committee's interest in these matters. I note that its report is not critical of the changes in the policing landscape, although it has things to say about the pace of change and so on. The Government have taken those comments seriously and have responded. Some of the reforms relating to the establishment of police and crime commissioners have been controversial, despite the cross-party buy-in to the new office. However, other aspects of the reforms command the support of the whole House, such as the creation of the police professional body, the better way of dealing with policing IT, the de-bureaucratisation of policing and the creation of the National Crime Agency. Far from being matters of party division or contention, we can have a good debate about how to make the reforms work while recognising that those are the right changes to ensure that policing can rise to the challenges of the 21st century and continue to ensure that crime is fought effectively and that the public are kept safe.

5.17 pm

Keith Vaz: With the leave of the House, I would like to respond very briefly to the debate. The Minister is absolutely right that we have had a good debate about a number of issues. I want to thank those members of the Select Committee who are here this afternoon: the hon. Members for Cambridge (Dr Huppert) and for Rochester and Strood (Mark Reckless), and my right hon. Friend the Member for Cardiff South and Penarth (Alun Michael). I thank the Minister, the shadow Minister, my right hon. Friend the Member for Delyn (Mr Hanson), and the right hon. Member for Carshalton and Wallington (Tom Brake), the Liberal Democrat spokesman on Home Affairs—we miss him at our Select Committee deliberations, but we always see him at these debates.

The Government have set an agenda that is, in effect, going where no person has gone before. It is rather like being on the Starship Enterprise, with the Home Secretary as a 21st-century Captain Kirk and the Minister as Mr Spock—only with much nicer ears than Mr Spock could offer us. What I can promise from the Select Committee is that we will continue to keep a watching brief on these developments. We look forward to seeing the Minister on these and other matters in the future.

Question put and agreed to.

5.18 pm

Sitting adjourned.

Westminster Hall

Tuesday 17 January 2012

[Sir Roger Gale *in the Chair*]

Care of the Dying

Motion made, and Question proposed, That the sitting be now adjourned.—*(Michael Fabricant.)*

9.30 am

Sir Roger Gale (in the Chair): Good morning, ladies and gentlemen. It will not have escaped your notice that a considerable number of hon. Members are present, and a significant number have indicated in writing that they wish to speak. Who gets called, other than in what order, is beyond my control. We have an hour and a half for this debate. The Front Benchers will traditionally want not less than 10 minutes each, so, if you do the math, as they say, it is up to you. If hon. Members confine their remarks to three minutes a head, we will get everybody in; that is, of course, other than the person who initiates the debate. If hon. Members take an inordinate amount of time, I have no power to curtail the length for which they speak, other than to say that they may not get called again in the near future. Please try to exercise some control, and we will endeavour to ensure that everybody gets heard. Those with less experience might like to pay attention to the fact that it is sometimes possible to make a point in an intervention, rather than in a formal speech.

9.31 am

Mr David Burrowes (Enfield, Southgate) (Con): I welcome the opportunity to talk about care of the dying. It is marked that so many hon. Members are attending the debate on a subject that so many people in our constituencies would rather not talk about.

Last year, a ComRes poll found that 67% of people are scared of being told that they are dying. More significantly, 83% are scared of dying in pain. As a nation, we need to get better at talking about dying, death and bereavement, but Parliament can take a lead in breaking the cycle that can result in a lack of care. With the public reluctant to discuss end-of-life care, many professionals do not feel confident to deliver it. Services are not available to everyone who needs them. The aptly named Dying Matters coalition, across the public, voluntary and private sector, should be commended and supported when it has its annual awareness week in May.

Too often in health care, dying equals failure rather than a normal process. This attitude ignores those who will not respond to treatment, but who can still be cared for significantly. Although death may be a tragic inevitability, palliative and hospice care can ensure that the remainder of life is still worth living. We have an opportunity today to show the mark of a civilised society and care for the vulnerable and largely forgotten—the dying.

The growth of palliative care, not legalisation for assisted suicide, should form the central debate about care for the dying. As a country, we must do all that we can to allow the terminally ill to live a dignified life until death, to make the intolerable tolerable and to replace hopelessness with hope and desperation with serenity. Too often, this essential part of health care is forgotten, or simply shrouded by the more high-profile issue of assisted suicide. Reading media reports this year, one could be forgiven for thinking that that is the only option for those suffering with terminal illness. Rather than legislating for an abrupt end to life, we need to find better ways to help care for the dying.

The good practice of palliative care, which hon. Members will no doubt illustrate this morning with constituency examples, makes the point that we in this country believe that life should be treated with dignity at every stage through to death. Some 50 years ago, Dame Cicely Saunders, founder of the modern hospice movement, said:

> "You matter because you are you, and you matter to the last moment of your life. We will do all we can not only to help you die peacefully, but also to live until you die."

What a refreshing contrast from what we have heard recently from those advocating assisted suicide. Take the chilling words of Baroness Warnock, who said:

> "If you're demented, you're wasting people's lives—your family's lives—and you're wasting the resources of the National Health Service."

Suggesting that we have a "duty to die", she said:

> "I think that's the way the future will go, putting it rather brutally, you'd be licensing people to put others down."

Well, that is not a future I want to be a part of, and I am sure many of those present today agree. [Hon. Members: "Hear, hear!"] If we adopted the law of Oregon, the trickle of people wanting to be killed in places such as Dignitas would become a flow—some estimate that more than 1,000 people a year would take that path.

Andrew Selous (South West Bedfordshire) (Con): Does my hon. Friend agree that one of the most worrying things is that, if what he is talking about is introduced, many older people may feel that they are a burden and that they should bring an end to their lives?

Mr Burrowes: Indeed. We need to retain the present law, which continues to provide a strong deterrent to the exploitation of vulnerable people, while giving prosecutors discretion in hard cases. Parliament has agreed, through a detailed Select Committee inquiry and three votes in the past six years, to retain that protection. We have to recognise that it is easy, in the comfort of Parliament, to make fine-sounding points about terminal illness. I recognise that there are no easy answers for those who feel they are not valued and who may feel that they may be wasting resources or are a burden on their family or society. However, they are the very people who most need the protection of the law and the provision of good-quality palliative care. How do we best safeguard their dignity and autonomy?

When we talk about dignity in the context of a health debate, it can all too often be restricted to privacy and physical care, but palliative care recognises a wider, proper understanding of dignity. Good palliative care recognises the social, emotional, spiritual and psychological needs that put an embrace around a terminally ill patient, rather than the proposed arbitrary, so-called safeguards that put a straitjacket around patients and doctors. For example, the prognosis for a terminally ill patient is notoriously difficult to determine. The best

[Mr Burrowes]

safeguard is through specialist palliative care that helps a patient live with uncertainty. Take the case of a motor neurone disease sufferer who wants to end his life but, unknown to his GP, has developed fronto-temporal dementia and whose thinking has become distorted. Such a condition could only be noticeable if someone knew that patient very well before the illness. The best safeguard to help the patient live with those fluctuating moods and thoughts is specialist palliative care. The proper way to empower patients' choice and protect the vulnerable is through driving up palliative care standards, not new legislation.

In 2010, the Economist Intelligence Unit ranked Britain, rightly, as top of the league of countries for the provision of end-of-life care. Much of the credit is no doubt due to the expansion of local charitable hospices that provide more than £700 million of care, the majority of which is donated by the communities that they serve. Additionally, more than 100,000 people donate their time to local hospices each year.

Nicky Morgan (Loughborough) (Con): I congratulate my hon. Friend on securing the debate. The fact that there are so many hon. Members here at 9.30 on a Tuesday morning shows what an important subject this is. He talks about local hospices. The Rainbows children's hospice, which is in my constituency, now looks after young adults with life-limiting conditions as well. In this debate, we will perhaps focus on older people, but we should not forget children with life-limiting conditions. One point that the hospice has made to me—I think that my hon. Friend is coming on to this—is the fact that we need to integrate both health care and social care. Rainbows children's hospice would like to see more of that from the Minister.

Mr Burrowes: I am grateful for that point. Integration is needed, and we see that in the context of hospices and palliative care. We hope for that future in the reforms that are going through Parliament.

Although we should be proud, rightly, of individual examples in our constituencies, we should not rest on our laurels. We need to build on that solid foundation, because far more can be done. End-of-life care is not available to everyone who needs it. In fact, the palliative care funding review found that 92,000 people die in England every year without access to the services that they need. That figure equates to nearly 500,000 people during the term of this Parliament, and 700 people in each of our constituencies dying without the good palliative care services that they deserve.

Nationally, hospices receive about a third of their funding from the NHS, but that can vary substantially across the country. Indeed, in my constituency in Enfield, the NHS contributes less than 20% of what the hospice spends on care for Enfield patients. One of the biggest issues facing the terminally ill is where they will die. Currently, more than half the people who die in England do so in hospitals and just 20% die at home, although various studies have shown that two thirds of people would choose to die at home.

In Enfield, there are excellent palliative care services. I pay tribute to Nightingale Cancer Support Centre and North London hospice, which provides a community service providing care in people's homes alongside an in-patient unit. In Enfield, the North London hospice community team are able to ensure that only 28% of people cared for by the hospice die in hospital.

According to the Minister, the Government should consider allocating national resources to continue to promote and extend palliative care. I look forward to hearing from the Minister about the progress in implementing the new per-patient funding system for hospice and palliative care providers, which will provide incentives to enhance services within community settings.

Guy Opperman (Hexham) (Con): Will my hon. Friend give way?

Mr Burrowes: I will conclude in a moment, because a large number of colleagues want to contribute.

Jean Rostand, the French biologist, said:

"For my part I believe that there is no life so degraded, debased, deteriorated, or impoverished that it does not deserve respect and is not worth defending with zeal and conviction. I have the weakness to believe that it is an honour for our society to desire the expensive luxury of sustaining life for its useless, incompetent and incurably ill members. I would almost measure society's degree of civilisation by the amount of effort and vigilance it imposes on itself out of pure respect for life.

I look forward to hearing hon. Members demonstrate that respect for life, for the dying, today.

9.41 am

Glenda Jackson (Hampstead and Kilburn) (Lab): May I congratulate the hon. Member for Enfield, Southgate (Mr Burrowes)on obtaining this debate? I agree with the bulk of what he said. There is something drastically wrong with a society that can contemplate legalising something that is, to my mind, murder. A change in the law would inevitably define the value of a life as dependent upon physical or mental capacity.

One of the greatest regrets of my life is that I was not present when either of my parents died. They did not die at the same time: both died in hospital and there was a period between each of them dying. One of the greatest privileges that can be afforded to a caring person—to us as human beings—is to be present at that moment when the last great adventure begins, when life slips away. A great strength of the Marie Curie hospice in my constituency is not that it exclusively treats the individual who is facing that last great adventure, but that it offers care and concern for the family, so that they can be included in that process.

Surely, we all deserve dignity in our death, whether or not that happens, as I think most of us would like to experience it, in our own home. Certainly, hospices provide the most extraordinary care. I agree with the hon. Gentleman that, regrettably, neither this Government nor the previous one took on board sufficiently the importance of hospices by financing them to the degree they warrant and deserve. As the hon. Member for Loughborough (Nicky Morgan) said, we are not simply discussing those who are elderly and facing death: this also applies to children and young people. The particular approach that hospices and palliative care can provide is of paramount importance.

I am somewhat shocked at the idea that hospices are somehow irrelevant, which is argued by some who seem to believe that advances made in medical science have,

during our period on Earth, ground to a halt. I remember, because I am quite old—[HON. MEMBERS: "No!"] I am sorry, but I am. The most frightening diseases when I was a child were cancer, and consumption—tuberculosis—which was deemed an absolutely incurable illness leading inevitably to death. We hear that its incidence has increased, but we do not hear much about it being an absolute death sentence.

We should all support the advances being made in medical science and research, not only in curing illnesses but in preventing their onset. In this instance, it is paramount that our society turn its face away from what could become legalised murder, and argue and press the case for increased funding, increased support for palliative care and, most markedly, support for hospices.

9.45 am

Mr David Amess (Southend West) (Con): I congratulate my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) on the strength and spirit of his speech. I also congratulate the hon. Member for Hampstead and Kilburn (Glenda Jackson) and very much agree with what she said. I was privileged to be present at my father's death. My mother will, hopefully, shortly celebrate her 100th birthday.

All hon. Members came into politics because we care about life. We did not come into it to legislate about death. This is a sensitive and serious issue. One of our former colleagues is not in great shape at the moment. If he were able to attend he would support what my hon. Friend the Member for Enfield, Southgate said.

When I was Member of Parliament for Basildon I was privileged to lay the foundation stone for St Luke's hospice. My hon. Friend the Member for Loughborough (Nicky Morgan) mentioned hospices in her constituency. In the area that I represent there is Fair Havens hospice and Little Havens hospice for children. I agree with the views of my hon. Friend the Member for Enfield, Southgate on what Dame Cicely Saunders said.

Britain is the world's leading provider of end-of-life care. We are the only nation to offer palliative care as a specialist, medical discipline in its own right.

Mr Julian Brazier (Canterbury) (Con): Does my hon. Friend agree that, when Government budgets are under a great deal of stress and the amount of assistance received from the NHS by hospices such as his and the Pilgrims hospice in my constituency is being decided, it would send exactly the wrong message to those splendid hospices and to those making budgetary decisions in the NHS if the House decided to allow assisted suicide?

Mr Amess: I agree with my hon. Friend. His local hospice does splendid work.

Hospice workers require four years' intensive training in order to practise. As a result, our hospitals and hospices are staffed by teams able to offer first rate end-of-life care when it is needed—all hon. Members will be familiar with the wonderful quality of care in our hospices—which puts Britain at the scientific forefront of palliative medicine, meaning that the care we can offer will only improve as advances are made. If we can offer this world-leading end-of-life care, why are we looking to euthanasia as an alternative solution?

We can do even more with end-of-life care than we are doing at the moment. We should seek to provide appropriate care to everyone who needs it, as the hon. Member for Hampstead and Kilburn said, no matter who they are or where they are. Figures suggest that 700 people in every constituency die without access to the appropriate services they need. Of course, this needs to change.

We need to help more with planning difficult situations. Understandably, thinking ahead can be traumatic for patients and families. None of us—I am the world's biggest coward—wants to face the consequences of death. We must therefore do all we can to ensure that the end-of-life support received runs as smoothly as possible. We should focus on personalisation and integration.

Care needs to be developed throughout the community, so that the dying can spend those precious last moments in their local area, not in hospital.

We have already heard about the difficulties of legalisation in Oregon.

I could say much more, but I will not. I simply applaud the words of Dame Cicely, who said,

"Hospices are places where people come to live, not to die."

Once again, I congratulate my hon. Friend the Member for Enfield, Southgate on providing the opportunity for us to debate this important issue.

9.49 am

Jim Shannon (Strangford) (DUP): I congratulate the hon. Member for Enfield, Southgate (Mr Burrowes) on bringing this matter to Westminster Hall; the number of Members present is an indication of its importance. Perhaps not coincidentally, we are about to recognise a memorial to the holocaust, to the 6 million Jews killed, as well as to all those people who were "socially unacceptable" or "mentally unstable", according to the Nazis, who way back in that time took a decision to murder people whom they felt were not capable of contributing to society. I want to make some comments about that in the short time I have.

Cancer is a big killer. I can remember clearly what it meant for my own family when my father had it, on three occasions. He survived it, which I believe was because of his faith in God, as well as the medical profession and what it can do. Not everyone survives, however, and nor is cancer the only condition that can be terminal and need extensive care. Numerous other horrific illnesses include multiple sclerosis, lupus and HIV/AIDS. Some people classify those with such conditions as on the dying pathway, but, along with other speakers, I congratulate the UK on being top in the world for good palliative care, which is something to be incredibly proud of. However, sometimes palliative care is not the next step, and some steps might well be missed by those who are looking to make a diagnosis rather than to treat an illness long term. Some suffer from incurable illnesses, but others are simply elderly and infirm and need care, dignity and a programme tailored to their requirements. The word "dignity" has been mentioned by every speaker so far, and that underlines the issue clearly for me. People need dignity when they are not well.

[Jim Shannon]

I recently visited an occupational therapist whom I had met during my 26 years as a councillor. I got to know her well, and she was diagnosed with cancer. The hon. Member for Hampstead and Kilburn (Glenda Jackson) commented on the work of the Marie Curie centre, and I had the opportunity to visit that lady at such a centre in Belfast. She had an aggressive strain of cancer, with six weeks between her initial diagnosis and the end of her life—the disease struck quickly and hard. I and her family could not but appreciate the good work done by the Marie Curie people. At a time when she needed help most, they made her life that wee bit more comfortable—if that is the word to use—and helped her family.

No one living in the UK can be unaware of the need for efficiency savings, but in some areas we cannot afford to cut, and palliative care is one of those. Health is a devolved matter in Northern Ireland, and the health service has said in its palliative care strategy:

"The vision of this Strategy is that any person, from diagnosis to the advanced non-curative stage of disease, lives well and dies well irrespective of their condition or care setting. This requires a philosophy of palliative and end of life care that is person-centred and which takes a holistic approach to planning, co-ordinating and delivering high quality reliable care enabling patients to retain control, dignity and crucially, choice in how and where their care is delivered to the end of their life."

It is about the people who are ill and who need care at the right time and in the right way. The hon. Member for Enfield, Southgate mentioned personal beliefs, cultures, the practices of patients and so on, and I would hold to what he said in his introduction. It is about the practices of patients and their families and carers, and recognising the contribution that good palliative and end-of-life care can make to the quality of their lives and the lives of the people around them who have to sit back and watch their loved ones die.

The NHS is supported by many charities, and one is the Northern Ireland hospice. It was established in 1981 and provides palliative care for adults—the majority of whom have had a cancer diagnosis—although there are young people there as well. The service began in Somerton house for in-patients but developed to provide specialist community nursing services, a day hospice and hospice at home—the point is that the service can be at hospital or at home, and it supports the family. Everyone knows of the tremendous work of the Macmillan nurses—personally, in many cases, and as elected representatives—and although the people of Northern Ireland continue to give generously, that is not enough to sustain the high level of care and training.

It is important for us to remain top of the world in palliative care, not because we want to show off or show our prowess, but because we want those who are dying before their time to have the best care in order to ease their way, and to ease the pain of their families. We can show what sort of a society we are by the way we treat our vulnerable people. Along with everyone else present, I support the intention behind the debate, and I hope we can assist the people who need it most: the elderly, the infirm and those who are ill and dying.

9.55 am

Tony Baldry (Banbury) (Con): I do not intend to refer to the policy of the Director of Public Prosecutions in cases of encouraging or assisting suicide or to the report of the Commission on Assisted Dying because I note that my hon. Friend the Member for Croydon South (Richard Ottaway) has been given a debate by the Backbench Business Committee. Hopefully that debate, in which I suspect that many hon. Members present today will seek to catch Mr Speaker's eye, will give us the opportunity to make our views known on those matters.

I fully endorse everything said so far today in the debate initiated by my hon. Friend the Member for Enfield, Southgate (Mr Burrowes), so I hope not to repeat anything. However, it is important for us to recognise that we will all die. As a society, we need to talk much more about dying and the care of the dying. As the psalmist says:

"The days of our age are threescore years and ten; and though men be so strong, that they come to fourscore years: yet is their strength then but labour and sorrow; so soon passeth it away, and we are gone."

All too often in modern medicine death is seen as a failure in some way, but supporting those who are dying is an important part of modern medicine.

Three crucial things, therefore, ought to happen for anyone who is dying. They should be informed and fully know and understand, as far as possible, what is happening with their medical treatment. So far as is possible, they should be relieved of pain and should be able to die where they would most like to die. Most people, when asked, say that they would like to die at home, yet home hospice services in this country are pretty noticeable by their absence. I agree with the comments of hon. Members so far: we do have exceptionally good palliative care in this country—where it is good it is very good—but all too often it is mediocre.

Guy Opperman: I congratulate my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) on securing the debate. A lot of people present are passionate Christians and see the subject from a religious standpoint. I speak as someone who was given warning of death on 26 April, before my operation last year, and with respect I take the view that, of the choices faced by individuals, one is the choice of their death—when they would choose to go. Does my hon. Friend the Member for Banbury (Tony Baldry) accept, as a matter of both law and faith, that that choice belongs to us?

Tony Baldry: I want to resist the temptation to be drawn into a debate on assisted dying, because many people present want to talk about palliative care, but I state simply that the only person who should determine when we die is the Almighty—it is not us. If we get into a situation in which we pick and choose who dies and who lives, it is a slippery slope. However, I will wait until the debate to be initiated by my hon. Friend the Member for Croydon South before I develop those arguments.

On the need to enhance palliative care, I hope that much more emphasis can be given to junior doctors in particular. I understand that at present they get comparatively little training on palliative care and, given the pressures that junior doctors are under, they often feel that if a patient dies they have somehow failed that patient. They might not have: patients die, and it is a fact of life that people will die. Every hospital trust should have a clear policy on palliative care and on how

to enhance it. We should never forget the role of hospital chaplains. People approaching death often need spiritual support as well as medical assistance. Spiritual support is no less worthy and necessary.

We should never underestimate the role of hospices. Hon. Members have referred to hospices in their constituencies, and I have the excellent Katharine House hospice in mine. However, we must try to ensure that they are better integrated in support of NHS palliative care services. Many moons ago, in the mid-1980s, Jack Ashley and I set up the all-party group on hospice support, which is now the all-party group on hospice and palliative care. Even then, we were concerned about the varying amount of support from the NHS to local hospices. I hope very much that NHS commissioners will, whenever possible, see local hospices not just as a resource in developing excellence in palliative care, but as an invaluable resource to help those who are dying and those who are terminally ill. I suspect that the voluntary hospice movement still needs to be much better integrated in supporting the NHS and those who are terminally ill. I hope that the introduction of new forms of commissioning will enable that to be done much better. How we support those who are dying is a measure not just of the NHS, but of us as a society, and we should be judged by how we care for those who are bereaved.

10.1 am

Fiona Bruce (Congleton) (Con): I support all that has been said by those hon. Members who have spoken today. I want to touch particularly on the importance of how we can develop the excellent hospice care that already exists in our country today. Dame Cecily Saunders has been quoted. She said that the hospice movement should have three components: care, research into good care and education of professionals and the community in care and end-of-life issues. Communities today need hospices to operate at that level not just within their buildings, but outside. Fantastic care is given in hospices, but to a relatively small number of people.

In Cheshire, for example, St. Luke's hospice, which serves my constituency, has just 14 beds, but through various initiatives, it has a far greater beneficial impact on the wider community. I should like to share some of the initiatives that St. Luke's is developing. It has recently been invited to share those initiatives with the all-party group on dying well. To give confidence and skills to others to share well the care of family members, it has a community outreach programme, and I will refer to one of those programmes in my constituency.

The village hall in a village near Alsager opened its doors one day a week, but that is now being extended, so that those who are not within the hospice may come for day care. Nurses from the hospice spend a day at the village hall, and a group of volunteers cook lunch for the community's elderly residents, who are often in some difficulty with their physical and mental capabilities. They can have counselling in a private room, a massage, treatments such as manicures and pedicures and engage in hobbies. I saw some wonderful art work that they had done over a period of months. They are provided with an excellent lunch, preceded by a small glass of sherry if they want it. There is much laughter and much support, and that enables the people who visit the centre not only to remain in their communities, but to have their lives enhanced and supported by the work of the hospice, augmented by a substantial number of local volunteers. In turn, those volunteers go into those people's homes.

Jeremy Lefroy (Stafford) (Con): I am grateful to my hon. Friend for describing the innovative care that hospices in our local communities provide. In my constituency, Katharine House hospice does the same. I want to draw her attention to the community lodges that the Douglas Macmillan hospice has set up in an area near her constituency. They allow families to come together and to support their loved ones in a lodge as they are dying.

Fiona Bruce: My hon. Friend is absolutely right. As Siobhan Horton, the director of St. Luke's hospice said:

"Hospices need to actively transfer their enormous expertise in health and social care more broadly to ensure more benefit from high quality care"

for more people. St. Luke's also provides education for all those in the Cheshire area who are involved in hospice work. I have visited the hospice. The ground floor contains 14 beds, and the first floor is a resource centre with a library, and advisers to inform and enable carers and professionals to extend their expertise throughout the Cheshire community and beyond. Hospices can do that excellently, because of their unique expertise, not only in this country, but throughout the world.

Another project that St. Luke's is undertaking is to develop a public health approach to end-of-life issues, so that ageing well and dying well are part of living well. It is working with the local community to improve communication with family members who are coming to the end of their lives, to resolve outstanding issues, to reduce regrets, to open up conversations that others may be reluctant to engage in, to work with family members and to encourage the engagement of their wider community in supporting the family and individuals who are struggling to support themselves towards the end of a life in the family. The aim for all who are supported in that way is a good death. I think that we all have that aspiration: a death within the loving embrace of our family and local community. St. Luke's is undertaking serious research into that, and I look forward to hearing more about its developing public health approach to end-of-life issues.

I want to touch on the work that St. Luke's is doing in connection with care homes. It has been involved in care home education for many years, and although it believes that some care home care is excellent, it also believes that much expertise can be shared both ways. It is considering how to have a closer, more supportive relationship with care homes locally and is commissioning a report on strategic planning and what sort of relationship and support would make a positive difference to care home delivery of end-of-life care. Let us support such innovations and others throughout the country to develop the excellent work of the hospice movement here, of which we can all be proud. I look forward to hearing from the Minister how the country and the Government can continue to support and promote the extension of the excellent palliative care in this nation.

10.9 am

Robert Halfon (Harlow) (Con): I congratulate my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) on securing this debate. I have known him as a good friend for nearly 30 years and his values have remained the same over that time.

I welcome this debate because I feel that we need to move the focus of the discussion away from assisted dying and towards quality of life. I became involved with this issue not by accident but through involvement with my local hospice, St Clare. It is one of the most wonderful community organisations with which I have ever had the privilege to be involved, both as a parliamentary candidate in Harlow for many years, and as its MP. St Clare is dedicated to promoting quality of life and care, and it has taught me much about the important role of palliative care and how it needs our support.

I should like to make several brief points, the first of which concerns equity of funding. St Clare hospice in Harlow receives 24% of its funding from the local primary care trust, although other nearby hospices in other PCTs, such as Farleigh hospice or St Francis hospice, receive around 40% of their funding from the PCTs. I welcome the figure of 40% and do not deride it, but it is important to have greater equity of funding. There is also a cliff-edge issue: 70% of charitable hospices have agreements with their local PCT that last for just one year. We need longer-term agreements, so that hospices can plan ahead.

Although we often talk about the big society, the hospice movement existed before that was even mentioned. It has pioneered the big society for many years, and 157 charitable hospices in the United Kingdom receive the bulk of their funding from private and community sources. More than 100,000 people donate their time to local hospices. St Clare hospice has 500 volunteers, and on one occasion, I was pleased to work there as a receptionist. Given what the Government are trying to accomplish in many parts of the public sector, hospices deserve more recognition for their role as part of the big society. They are models of how charitable institutions can raise extra funds, invest in services and train the community, without resources coming simply from higher taxes.

Rehman Chishti (Gillingham and Rainham) (Con): I support everything that has been said so far about doing whatever we can to preserve life. Funding has been mentioned, as have the community and voluntary sectors. Medway contains the Wisdom hospice, where £539,000 is raised annually by the voluntary and charitable sectors. That is a great example of how communities want to preserve and support palliative care.

Robert Halfon: My hon. Friend makes a good point that is exactly right; his constituency is lucky to have him serving it so well.

I want to highlight bereavement counselling services. St Clare offers such a service, and about 40% of families that become involved with it receive bereavement counselling. That is a huge extra cost for something that the hospice does not have to provide but nevertheless offers as an extra service. Hospices receive little recognition for their work on bereavement care, and a UK study has shown that such care is often overlooked. In 2010, more than half of hospital maternity units still lacked dedicated bereavement support, thus leading families to turn to their local hospices. In 2007, an Oxford university survey of bereavement care in 10 Marie Curie hospices around the country showed that, although there are some great services, such care is patchy or non-existent in other areas. That is why hospices such as St Clare that go above and beyond the call of duty in the bereavement services that they offer deserve recognition and extra financial support.

To conclude, I should like to comment on the remarks made by my hon. Friend the Member for Hexham (Guy Opperman) who is no longer in his place. I have huge respect for him, but he mentioned choice in death. The problem with assisted dying and the move towards euthanasia is that people will be pressured into making choices. That is why I am passionately against any move towards assisted dying.

Robert Flello (Stoke-on-Trent South) (Lab): I congratulate the hon. Member for Enfield, Southgate (Mr Burrowes) on securing this debate, and I have been listening carefully to the hon. Member for Harlow (Robert Halfon). Is not part of the problem the fact that if this House eventually—sadly—legislates in favour of assisted dying, that would normalise the situation and mean that people and families who are vulnerable or in desperate straits may think, "That is normality; we will go down that route"? Does the hon. Gentleman agree that that is a dangerous route down which to go?

Robert Halfon: I agree passionately with the hon. Gentleman; we would be taking a hugely dangerous step were we to go down the road of assisted dying. We as a society devalue human life, whether through fiction, computer games or television, or in real life. I often wonder whether Harold Shipman would have got away with killing one patient after another if we as a society had not devalued human life in such a way. We need to move away from that in a big way and back towards dignity for the dying and strong support for palliative care.

10.15 am

Glyn Davies (Montgomeryshire) (Con): This is a complex subject about which one could probably speak for around half an hour. I will try to confine myself to three minutes and make an important point that I do not think has been made previously. I do not want to repeat points already made by other hon. Members.

I should begin by declaring an interest. I am a board member of Living and Dying Well, which is an active and committed organisation that examines and publishes evidence-based research into assisted dying. There are many aspects to this debate, and I congratulate my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) not only on his speech but on the measured tone in which it was delivered.

I have probably received more communication from constituents about assisted dying than on any other subject. Most of those who have contacted me disagree with my point of view; I am totally opposed to any change in the law. All those people, however, approached me on the basis of compassion, usually for an individual whom they know—I am sure that many hon. Members

present, and others, know of people whose lives are coming to an end and who are living in such difficult circumstances that it is almost a blessing when that happens. Such circumstances have led people to feel that there should be a change in the law. We, however, are parliamentarians, and although I feel compassion for the individual and understand and respect the views of those who disagree with me, we as legislators have a duty of compassion to society as a whole. In my view, we cannot introduce laws that are geared towards individual cases and are dangerous and could lead to situations such as those already mentioned where pressure is put on individuals and suicide is normalised.

In a perfect world, every terminally ill person would be clear thinking and not suffering from a mental illness from which they might recover; every doctor would be professional and competent to make a judgment about the end of life; and every relative would be full of compassion and motivated by nothing else. Our society, however, is not like that. We live in an imperfect society, and our laws must allow for those imperfections.

A debate to be held next spring will consider assisted dying, and we will all be able to make a huge number of points and provide evidence. I would be deeply sorry if we move towards legalising assisted dying and I think that it would be a dreadful mistake, but we should leave that discussion until that debate. Let us recognise that, as parliamentarians, we have a duty first to make a huge commitment to social and palliative care—which as a society we have never done—and to help people at the most vulnerable stage in their lives. We should not go down the road of making things convenient by simply removing those who are most vulnerable and most need our care away from our society altogether.

Several hon. Members *rose—*

Sir Roger Gale (in the Chair): Order. Six hon. Members still wish to speak. I intend to call the Front Benchers from 10.40 am. Again, please do the sums.

10.19 am

Penny Mordaunt (Portsmouth North) (Con): I became interested in end-of-life care in part from having been a hospital visitor at my local hospital for eight years, largely attending those who had no advocate, friends or family and who were nearing the end of their life. I continue to work on these issues with a number of organisations, including the Royal College of Nursing, Age UK and the NHS Confederation.

We have known for some time that older people, in particular, are poorly served in both a hospital and a community setting. To give a recent example, a constituent of mine, who had no continence problems but was bedbound following an operation in hospital, repeatedly asked for a bedpan and at the sixth time of asking was told to wet herself because it was nearly suppertime and no one was around to fetch the pan for her. By that time, she was so desperate for the loo that she did just that, despite how unnatural and unpleasant it felt, and she then had to sit in wet sheets until the meal was over. Only then did the nursing team come and change her whole bed—a procedure that took more staff and time than the simple act of fetching her a bedpan in the first place.

We have had a succession of reports, including from the Care Quality Commission and the Equality and Human Rights Commission, calling for the Government to act. I hope that my hon. Friend the Minister will today update us on progress. With my hospital visitor hat on, I would particularly like to know whether she believes that there are opportunities with the Centre for Social Justice "End Loneliness" campaign, which is focused on befriending and visiting, to consider the support and advocacy services that could be developed to support those who have no one else as they near the end of their life.

I congratulate my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) on securing the debate. I am pleased that it has been focused on good-quality end-of-life care, rather than assisted dying, as that is the immediate issue. I am sorry that those two issues are often conflated or painted as an either/or. The Commission on Assisted Dying added its voice to the previous reports in relation to the patchy nature of good end-of-life care. It was highly critical of the practices at Dignitas and elsewhere, including Oregon. It highlighted the lack of research in the area that we are discussing. One of its key conclusions was that the Government must step up their drive to improve care in this area as a priority.

Poor-quality end-of-life care cannot be a reason for an assisted death. Indeed, one of the safeguards required by the commission's model for assisted death in the UK would be verification that a terminally ill patient who requested an assisted death was receiving good care. However, the view that, if there were universal provision of good-quality care, there would be no demand for an assisted death is a false one. It assumes two things: good-quality end-of-life care can alleviate all pain and suffering, and the overriding motivation for seeking an assisted death is poor-quality care. Neither is true. Those who request an assisted death are often doing so because of issues about control and their identity, and we must recognise that even with very good care and advances in pain management, there will still be patients who are in considerable discomfort at the end of their life.

All in this place have great sympathy for those who wish to have an assisted death, whether or not we believe that they should be granted one. We have sympathy for the 400 people who commit suicide every year because of a terminal or chronic illness. We all know about the sale of suicide kits—those appalling suffocation devices, which often fail to kill and instead result in brain damage. I would like the Minister's comments on whether we should be doing more to end that trade on the internet. We also know about the 160 people from the UK who have travelled to Dignitas. In my view and the view of the commission, that is a very unpleasant experience, and such people are often ending their lives very prematurely.

All of us have sympathy and compassion for the people to whom I have referred. Where we differ is in whether we think that measures to enable those people to have a good death, at the time of their choosing, come at too high a price for the rest of us. There are issues that are often discussed—safeguards, for example, are deemed too difficult and have not been thought through—and issues that are just as pressing but are not so often discussed, such as equality of access to such a death. Indeed, certain issues are barely debated at all. This is a difficult subject, but we should, as a Parliament, continue to discuss the plight of those people and their

families, as their suffering is profound. I echo the comments of my hon. Friend the Member for Montgomeryshire (Glyn Davies); we should do that in the tone that he outlined.

Such suicides occur once or twice a day in the UK. These are a tiny minority of patients, a minuscule minority of Britons, but each of them, in my view, is entitled to a good and peaceful death.

10.24 am

Martin Vickers (Cleethorpes) (Con): I, too, congratulate my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) on securing the debate. Bearing in mind your request for brevity, Sir Roger, I will be as brief as possible. I can only agree with much if not all of what has been said.

In considering what to contribute to the debate, I looked up a definition of palliative care. We tend to know what that means, but the definition that I came across last night is from the National Institute for Health and Clinical Excellence:

"Palliative care is the active holistic care of patients with advanced progressive illness. Management of pain and other symptoms and provision of psychological, social and spiritual support is paramount. The goal of palliative care is achievement of the best quality of life for patients and their families. Many aspects of palliative care are also applicable earlier in the course of the illness in conjunction with other treatments."

That seems to sum it up. Who could not support that statement?

One reason for my participation in the debate is to pay tribute to the hospices that serve my constituency, as many other hon. Members have paid tribute to the hospices that serve their constituencies. My Cleethorpes constituency is served by St Andrew's hospice, based in Grimsby, and the Lindsey Lodge hospice in Scunthorpe. Both are wonderful organisations that rely on the work of their dedicated and skilled staff and volunteers. I have visited both hospices in the past 18 months; indeed, I visited St Andrew's only a couple of weeks ago. St Andrew's also has a children's unit that serves the whole of the county of Lincolnshire.

I am more familiar with St Andrew's hospice because my father spent his last weeks in its care and my mother died on the day on which she was due to be transferred to St Andrew's. My father received care and attention that can only be described as superb. He suffered greatly in the time until he arrived at the hospice, but he seemed to be pain-free during those last few weeks in the hospice. He was in surroundings that allowed me, my mother and other family members to feel reassured that everything possible was being done to give him all the support that was necessary. That was as long ago as 1988. St Andrew's has progressed enormously since then. It is now in a modern purpose-built building. The drugs and methods of care available have evolved beyond anything that we could have imagined 24 years ago. The advances that are likely to be made in the next 24 years will improve the lives of people who are in their last days beyond measure.

Human life is to be valued. Anything that denies that diminishes society as a whole. I shall conclude by noting one of the contributions made to Lord Mackay's Select Committee in 2004. It states:

"I would rather die in a country where euthanasia is forbidden but where doctors do know how to look after a dying patient in a humane manner than I would in a country where palliative medicine is ignored but euthanasia can be easily arranged".

That is the sort of country that I want to preserve.

10.28 am

Mark Field (Cities of London and Westminster) (Con): I congratulate my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) on obtaining this very important debate. We have heard a lot about palliative care and the hospice movement and we recognise what a patchwork of provision there is in different parts of the country. I take on board the warnings from my hon. Friend the Member for Portsmouth North (Penny Mordaunt) that that should not be used as an excuse to make assisted dying easier. I will concentrate my brief comments on assisted dying. In doing so, I will be taking up the challenge offered by my hon. Friend the Member for Hexham (Guy Opperman), who talked about whose choice this was. It perhaps was inevitable that, in answering that question, my hon. Friend the Member for Banbury (Tony Baldry), as the Second Church Estates Commissioner, took the view that the Almighty should make the determination. I recognise that many hon. Members present are strongly Christian, but I think that we have to face the fact that we live in a secular society. I do not think that that answer—perhaps slightly tongue-in-cheek—will do as we go forward. My own view—this is perhaps strange, given that I am a legislator and a former lawyer—is that the law is not the right place to make these changes. The empire of the law should not necessarily stretch into this area, and that takes on board elements of ethics and the fact that I have some belief.

I have a great concern that a right to die will rapidly become a duty to die for elderly folk and disabled people. The way in which a society looks after its most vulnerable says much about it, and if we fail to look after such people, and allow the law to change, even in a relatively subtle way, whatever the so-called safeguards, that will be a dangerous step.

The reality is that much of this debate is happening in the context of tremendous funding problems in not only the national health service, but care for the elderly—an issue that has appeared across our newspapers in recent weeks. In a way, those funding problems and the issue of assisted dying are almost two sides of the same coin, with people looking at assisted dying as somehow being an easy way forward on those funding issues.

My concern about the law is that it is simply not the right instrument. It will not give anything like the safeguards we need; indeed, it might make life even more difficult for members of the medical profession and the police, who will be reluctant to do the right thing if the laws that are put in place notionally to provide safeguards simply regulate their lives more stringently in reality.

I speak slightly from my own experience. It is 21 years ago almost to the month that my father died. He was diagnosed with terminal cancer seven or eight months before he died. I was his next of kin, and I must confess that I was very happy that we had a long-standing family doctor. My instructions, and indeed my father's instructions, to our doctor were that my father did not want to die in pain, and that probably meant that he had more morphine, which might well have accelerated

his death by a matter of days or perhaps even weeks. Such decisions should be made by the medical profession, but my worry is that any change we make in the law will make that right decision much more difficult, because it will be a regulated legal decision.

Above all, the problem is that, if we try to introduce such changes in the law, which is natural for us as legislators, we will end up introducing a charter for those who think there are elderly, disabled and other people whose lives have less value than those of the rest of us. That is a very dangerous way forward.

Going forward, we will all have to fight. As my hon. Friend the Member for Montgomeryshire (Glyn Davies) rightly said, there is a vocal group that is keen to change the law. All of us must now get ready for a battle to stand up for the silent majority, who think, very much as we do, that the importance of life should not be underestimated at all.

10.32 am

Stuart Andrew (Pudsey) (Con): There is a famous saying that only two things in life are certain: death and taxes. In the short time I have been in this place, it seems we have talked a lot about taxes, but very little about dying. I worked in the hospice movement for more than 12 years, and the hospices have a wonderful saying that they cannot add days to people's lives, but they can add life to people's days. That is the fundamental point to make.

I want to talk about children's hospices. I spent most of my time working for Martin House, which is a children's hospice in Yorkshire. Children's hospices are very different from adult hospices. Having also worked in an adult hospice, I have been able to see the differences between the two. Caring for a child with a life-limiting and terminal illness is incredibly difficult. The whole family need support, not just the patient. One father I spoke to said that, if he got up eight times in the night to go to his child, he considered he had had a good night's sleep.

Many people are frightened of using a hospice, because the view is that that is where we go to die. In my experience, however, things really are much better than that, because hospices are about living and making the best of difficult lives. I want to give two examples, although I will try to be as brief as possible. Two parents came to see me after their six-week-old baby suddenly died. They had spent five weeks in hospital unable to touch the baby, but when they went to Martin House, they were allowed to hold the child. As they put it, they were allowed to be parents, rather than carers. That really shows the wonderful work that the hospice did.

Another thing also made me realise that, for many people suffering from terminal illnesses, the important thing is life and the issues surrounding it. I and other staff from the hospice were interviewing a young man who used it as part of a promotional video, for want of a better term, to help raise funds. The head of care asked him what the most difficult thing was about having a life-limiting illness. In my naivety, I thought he would say it was the fear of dying and the fact that his life would be short, but he said it was falling in love. I could not quite understand that at first, but he said, "Who is going to love me if I have a muscle-wasting disease?" I suddenly realised that the hospice movement was about helping young people who face not only a difficult disease, but the emotional difficulty of not being able to live their life in the way we do. Hospices do so much work to make the very best of difficult lives. The holistic approach they offer—the respite care, the emergency care, the terminal support and the bereavement support we have heard about—is vital to the families that need them.

While I was working at the hospice, it needed to raise £4 million a year. We got only 6% of that from the PCTs, which, frankly, is not good enough. We really should spend a lot more on providing excellent care to ensure that those who are coming to the end of their lives have the very best death possible. When the Minister looks at providing money for hospices, I urge her to recognise that children's hospices provide very different care from adult hospices.

10.36 am

Mr Edward Leigh (Gainsborough) (Con): There is no doubt in my mind that, if we allow assisted dying, it will eventually become encouraged exit. G. K. Chesterton wrote that, when orthodoxy becomes voluntary, it will be prohibited, and we could be on a dangerous, slippery slope. One of the witnesses to the Falconer inquiry said:

> "I think we can only go for terminal illness at the moment, so this doesn't actually apply to the people who are probably about to go into care homes. But, you know, baby steps."

That is a chilling statement.

There is a lot I could say about this issue, but time is short. We all know that it is virtually impossible to predict how long someone has to live—we know that even from the famous case of the Lockerbie bomber. We also know how people suffer from depression in their last months of life. We know what has gone on in Oregon and in the Netherlands, where 8% of all deaths are the result of euthanasia. We also know about the experience in the Northern Territory, in Australia.

However, I just want to make one simple point, and I apologise, because I suppose it is a moral point. I visited St Andrew's hospice with my hon. Friend the Member for Cleethorpes (Martin Vickers). To us, this is a moral issue; we believe that the body is simply the mirror of the soul, and however old, crippled or useless someone might seem to society—our society seems to be dominated by the worship of youth and beauty—they are of immense value to society and should be sustained by society to the very end of their lives.

10.38 am

Dr Julian Lewis (New Forest East) (Con): If more hon. Members who support assisted suicide had participated in the debate, one word would have been heard above all others: safeguards. The only hon. Member who seemed to make the case for assisted suicide talked, in a brief intervention, about some people viewing these issues on a religious basis, by which I think he meant that we should judge them on a rational basis. I judge this issue entirely on the basis of rationality, rather than religion, and according to that rationality, it is impossible that the safeguards can be practical or reliable. Safeguards could not be applied to people choosing to end their

lives, because the people who would try to apply them could not get into the minds of those people whose future was in question.

The case for assisted dying has been made by a small number of strong-minded and articulate people who have made up their minds that they want to die, but who cannot end their lives without help. If everyone relevant to the question were like that, there would be much less of a problem; but the real reason why safeguards are thought to be necessary is twofold. One is to prevent people from being subjected to subtle pressure, which no outside person could detect. However, as my hon. Friend the Member for South West Bedfordshire (Andrew Selous) said early in the debate, even without outside pressure, there would be a danger that people would feel they had to end their lives in a spirit of self-denial, so as not to be a burden on others. There is no way to erect safeguards to prevent subtle pressure from being applied undetectably; still less is there any way for such safeguards to prevent people from genuinely deciding, although they might want to continue with their lives, that they want still more to end them so that they will not be a burden to others. We cannot apply safeguards to those cases, and that is why the case for assisted dying based on the application of safeguards is fundamentally flawed.

10.41 am

Ms Diane Abbott (Hackney North and Stoke Newington) (Lab): First, I congratulate the hon. Member for Enfield, Southgate (Mr Burrowes) on securing the debate. We have lived through an era when MPs have been seen as irrelevant, not to say venal, and when Parliament has been seen as remote. However, increasingly, in this Parliament, we have found that we are seriously debating issues at the centre of current political debate. The present debate is one of them. I want to touch on policy issues that relate to palliative care and to say a little about assisted dying, but I will begin by saying that in a busy, urban 21st century society people seem increasingly reluctant to talk about death or even to face the possibility of death.

At the risk of generalising, I will mention that, as many hon. Members know, my family come from rural Jamaica. In such rural communities, people make a point of talking about death. People stay up all night with bereaved families, night after night. That may seem strange to some, but it is a way of saying, "Death is a reality, and we will support you through it. Your community is here for you." In a way, the rather hurried, perfunctory and frightened way that we deal with death in modern urban Britain is not necessarily an advance on the way people deal with it in rural communities around the world.

End-of-life care is of course an important issue, not just because death will come to us all, but because it is a major issue for the NHS. It represents billions of pounds of NHS spending—a fifth of NHS costs and a total of £20 billion altogether. Yet, as hon. Members have said, whereas most people would prefer to die at home, most do not have that privilege. It has been a concern of successive Governments to find out how we can give people the range of choice that they want for end-of-life care and how we can improve the level and type of care that is available.

Among the published reports on the issue, the King's Fund report identified improving the primary care management of end-of-life care as one of the top 10 priorities for new commissioners. We have heard about the unevenness of funding of hospices and end-of-life care, even within the same part of the country, so I should like to ask the Minister whether it is the Department of Health's view that end-of-life care should be a national priority and how she proposes to deal with the considerable variation in quality, efficiency and funding. What is the Department doing to ensure that the NHS can support the voluntary sector hospices and other specialist palliative care providers? Can the Minister give the House some reassurance that the Government's proposed commissioning arrangements in the Health and Social Care Bill, which is being considered in the other place, will ensure that there is planned 24/7 provision of community support, including care co-ordination, nursing and symptom control?

As I have said, we know that most people would prefer to end their life at home, but most cannot. We also know that half of all complaints to the NHS involve criticism of the circumstances in which someone died. Often the time when a relative is dying is one of the rare occasions when a whole family come together and perhaps watch the process minute by minute. Therefore, a focus on and concern with end-of-life care comes to us all, and we will all have a view on it. The Minister will be aware of the Demos report, "Dying for Change". Demos made a number of recommendations and said:

> "Unless we can devise ways to get people to talk about how they want to live while they are dying, our efforts to improve services will be like groping in the dark."

That is a reminder of the need to talk about and face death and to say, while still well enough to give an unconstrained opinion, how we want things to happen. Demos referred to training in palliative care and the important question of linking hospices to groups of care homes, so that hospice skills and values can migrate to care homes. It said that services need to be commissioned in an integrated way. The Minister will also be aware of Age UK's public policy proposals on those issues.

The House would expect me to say a word about Labour's record. Under the previous Labour Government, the NHS end-of-life care strategy was launched in 2008. It covered all adults with advanced progressive illnesses and care in all settings. The 10-year strategy was backed by an extra £268 million. There is no question but that progress was made, as I am sure that the Minister will acknowledge. The number of staff using models of care specifically designed for the end of life rose. Those models are now used by 75% of GP practices and hospices and 85% of acute hospitals.

Is the Minister aware that the King's Fund has warned of the dangers of losing momentum in the drive to improve end-of-life care? Is she also aware of the report of Dr Rachael Addicott, "Implementing the End of Life Care Strategy: lessons for good practice"? Dr Addicott expresses concern

> "that the decision not to hold a review until 2013 risks losing momentum and missing the opportunity to build on the progress already made."

I have been fortunate, as a Hackney MP, to have a close relationship with St Joseph's hospice, which was set up in 1900 by five Sisters of Charity and is the place where, in the 1950s, Cicely Saunders developed the principles of modern hospice care. My respect for the

men and women who run hospices cannot be bettered by anyone in the Chamber today.

As for assisted suicide, I do not want to take a position one way or another. I have great respect for colleagues who advance the case for it and for people in the media who earnestly want to be able to decide how and where they end their lives. However, I have represented a busy, kaleidoscopic urban constituency for 25 years. In Hackney, the best of life and the worst of life can be seen—and the best and the worst of people. I have seen what fantastic support families can give, even when the state lets people down; but in a tiny fraction of cases, I have seen how venal families can be.

My concern about assisted dying would be for that tiny handful of cases involving elderly people who did not want to be a burden—and how many times have hon. Members sat in advice sessions and heard elderly people say that? I would worry about the cases—tiny in number, but still representing the lives of actual people—in which, if we were to provide a legal framework to make assisted dying possible, such people might feel almost an obligation to move forward. I stress to the House that that is a personal view. It comes, as I have said, from seeing the best of people, but also the worst of people, in more than 20 years of being a Member of Parliament.

End-of-life care is one of those issues that is at the centre of people's debate and concern, because death comes to us all. Advances have been made in recent times, partly through what has happened in the voluntary sector—in hospices all over the country, such as St Joseph's, which is a wonderful hospice—and partly through conscious Government policy. I am interested in what the Minister has to say on policy going forward.

10.50 am

The Parliamentary Under-Secretary of State for Health (Anne Milton): Thank you very much, Sir Roger. May I say what a pleasure it is to be able to say "Sir Roger"? I congratulate my hon. Friend the Member for Enfield, Southgate (Mr Burrowes) on securing this debate. It is timely that the House is reminded of the excellent work that goes on, and we have had tributes from all parts of the House this morning for individual hospices and the work of individuals. I also want to congratulate my hon. Friend on his comments on the fears that surround death. Death is an inevitable consequence of life, albeit for some it is tragically premature. We do not find death and dying a comfortable subject. It is thought frightening and mysterious. If nothing else, debates such as this may demystify some of the issues around death.

I also want to mention in particular the hon. Member for Hampstead and Kilburn (Glenda Jackson) and her comments on the privilege it is to be present at a member of one's family's death. The hospice movement, as she rightly said, has enabled that to be possible for so many more people today.

Services in some parts of the country are excellent and in some parts of the country they are patchy at best. As my hon. Friend the Member for Portsmouth North (Penny Mordaunt) pointed out, the quality of care does not always live up to what we expect. It also does not live up to what we expect in the treatment of certain conditions and in end-of-life care.

The Department of Health's end-of-life care strategy was published in 2008 under the previous Government. I want to pay tribute to the progress that they made. It remains the blueprint for improving this area. Last September we published the third annual progress report on implementing the strategy. It is on the Department of Health's website and I urge hon. Members to have a look at that.

Robert Flello: Will the Minister give way?

Anne Milton: I will not for the moment, because I have so little time.

Our plans for the NHS mean that we want people to have as much choice as possible in treatment in life but also in death. We want commissioners and providers to ensure that the right services, which include 24/7 community-based services, are available to support people at home.

Progress is frustratingly slow, but the examples around the country where it is working well are of note. We will review progress regularly to ensure that this becomes a reality for people. It is much overdue.

One development is the electronic palliative care co-ordination systems. I hate these names, but they can be effective tools. Through those, care providers can instantly share care plans and express preferences for care. We piloted that approach successfully in eight sites across the country and it is now being adopted more widely. We are also working to make sure care planning is a routine part of care for people who are dying. It is dreadful that care planning is not a routine part of care for all people. That has not been the case for some years, but it should be.

In November, NICE published its quality standard for end-of-life care of adults. That is an important contribution to this issue. It covers the whole of the end-of-care pathway, not just the medical bit. The 16 statements include social, practical, emotional and spiritual and religious support. We have also developed a national survey of bereaved relatives to get first-hand experiences of people's care. The first survey should be completed by March. That will inform a new indicator on end-of-life care in the NHS outcomes framework.

To provide quality services, where and how people want them, hospices and other palliative care providers need support and funding. We will introduce a new per-patient funding system for all providers of palliative care, covering both adults' and children's services. We set up the independent palliative care funding review to help take that forward. The final report was published last year. It came up with some significant proposals, which we will consider in detail to ensure that we get that right. It is the first major step in local palliative care funding. We will have pilots to collect data and test the review's recommendations, which will be established from April this year. The aim is to have the new funding system in place by 2015, which is a year earlier than was anticipated.

I also want to pay tribute to the voluntary sector. Palliative care was first developed in the voluntary sector and it still provides us with those beacons of best practice. Dame Cicely Saunders has already been mentioned and had tributes paid to her. She founded St Christopher's hospice in 1967 and I want to associate myself with

those tributes. I also pay tribute to people such as Dr Colin Murray Parkes, who has done so much in the area of bereavement and grief. That has been mentioned, but it possibly did not get the mention that it should.

The hon. Member for Strangford (Jim Shannon) and my hon. Friends the Members for Southend West (Mr Amess), for Congleton (Fiona Bruce), for Harlow (Robert Halfon), for Montgomeryshire (Glyn Davies) and for Portsmouth North all paid similar tributes. I would love to mention every contribution in detail, but they all surrounded the same issues: this is about dignity; this is about choice; this is about life. It is also about bereavement and the care of the relatives who live beyond the death.

My hon. Friend the hon. Member for Banbury (Tony Baldry) specifically mentioned assisted suicide, as have other hon. Members. This is a matter for Parliament as a whole to decide, not the Government. He talked about the perception of failure when someone dies. On a personal level, to be present at a good death is a privilege and an opportunity, not a failure. We need to right that balance a bit and see the success in someone dying well. As I have said, it is such an important part of the bereavement process.

We have a comparatively smaller number of people who die in a hospice, but so many more benefit from their services and expertise. We want to see hospices flourish and develop. In particular, we want to see them continuing to expand the care they give to those with illnesses other than cancer, as well as expanding into community-based support for patients, their families and their carers. That is where the work that we are doing on palliative care funding is so important. It will be key to moving us towards a fairer funding system for all providers, including hospices.

It would be remiss of me not to mention the one issue that has not been mentioned. In accepting that death is part of life, we also need to consider those who can be given the chance of life through another's death. As I have ministerial responsibility for organ transplants, I have to mention that we need to make organ donation a normal part of end-of-life care. We need to recognise that through a sensitive approach to the family, we can, in death, give life to many others.

In conclusion, we come to this place to give our constituents and this country a better life, because we believe that everybody deserves a good life.

Robert Flello: Will the Minister give way?

Anne Milton: Very briefly.

Robert Flello: I just want to touch on the point that in my constituency, the Donna Louise Children's Hospice Trust does some fantastic work. There is this difference between it and the work of the Douglas Macmillan hospice just outside the constituency. There is a mishmash and I would be grateful if the Minister looked at that in the future.

Anne Milton: We want to end any mishmash. We want a consistently high quality of care for everybody. Everybody deserves a good life and that is why we came to this place. This debate has allowed us to debate, discuss and share the opportunities that exist for Parliament to allow people a good death too, with dignity, without pain, in the company of those we love and at peace in death with the lives that we have led.

Sir Roger Gale (in the Chair): Order. Just before we move to the next debate and while I am awaiting the arrival of the Minister, who is not late, may I thank all hon. Members for the tone and the self-restraint that has been exercised this morning? As a result of that, we have managed to accommodate the views of 21 Back Benchers, in addition to those on the Front Bench. I regard that as exceptional. I hope that many people outside the Chamber will have heard the quality of the House of Commons at its absolute best. Thank you.

Carbon Capture and Storage (Scotland)

11 am

Thomas Docherty (Dunfermline and West Fife) (Lab): Thank you, Sir Roger, for calling me to speak. I am grateful for the opportunity to serve under your chairmanship again. It is the first time that I have done so since your well deserved recognition in the new year's honours list.

For the sake of clarity, I should draw Members' attention to my entry in the Register of Members' Financial Interests and point out that at the last election I received a donation from the union Unison, which has a small number of members at Longannet power station in my constituency.

As Members will be aware, Longannet power station sits at the most westerly point of my constituency. It has been generating electricity since 1970 and it has the capacity to put some 2,000 MW into the national grid. Scottish Power, or its parent company Iberdrola, has been the owner of Longannet power station for a number of years.

Members will be aware that the previous Labour Government established the carbon capture and storage competition, and I will say some more about that shortly. At the tail-end of last year, the current UK Government took the decision to end Longannet's bidding for the £1 billion pot of money and today I hope to tease out from the Minister exactly where that decision leaves the future of carbon capture and storage, both in Scotland and more generally.

As I said, Longannet power station has been successfully putting up to 2,000 MW into the national grid in Scotland for more than four decades. Several years ago, it had a significant upgrade, which will give it a life through most of this decade. As is the case with all fine pieces of engineering, however, there is only a limited life span left for the power station and of course there are serious questions about how we will keep the lights on in Scotland.

Being a grown-up, I do not think that the Scottish National party's rather ludicrous plan for 100% of Scotland's electricity to come from wind turbines and other renewables is at all sensible or deliverable. If someone is a grown-up and has a real energy policy, they have to look at the alternatives to that plan. I firmly believe, as I have done for a number of years, that clean coal technology must be part of an energy mix including nuclear power stations. There should be some role for renewables and fossil fuels, mainly coal, although I accept that there is a limited role for gas. However, I was disturbed to learn from a much esteemed source this morning that 80% of the gas that we now use in the UK comes not from UK shores but from overseas. Security of supply is an important concept. For the benefit of the SNP, which clearly does not understand the concept, let me explain it. If we are dependent on overseas sources of energy, we must have comfort that those sources of energy are reliable, can be delivered safely and are not prone to outside threat.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): Given recent events in Japan, does the hon. Gentleman think that nuclear power is reliable and safe?

Thomas Docherty: Clearly, the hon. Lady was not listening two minutes ago when I said that nuclear power was part of a balanced energy policy. In the UK, nuclear power has been delivering electricity safely and securely for nearly six decades now. When she speaks in the debate later, I would be grateful if she could say whether she thinks that having a policy of 100% renewables is a saner option than having a balanced energy policy that does not put all the eggs in one basket. Moreover, perhaps she would like to tell me how many wind farms she has supported in her own constituency. I say that because one of the things that we often see is that certain politicians make great proclamations about their support for certain types of energy but the moment that anyone tries to put those types of energy in their own backyard they suddenly seem—bizarrely enough—to oppose that particular scheme. Unlike the SNP, I have always been consistent: I have always argued that we should have a balanced energy policy; I have always argued that we should keep the lights on; and I have always spelled out how and where I would do that.

Jo Swinson (East Dunbartonshire) (LD): I congratulate the hon. Gentleman on securing this debate on a very important issue. Does he agree that it is important to have carbon capture and storage not only for energy security but for environmental reasons? Even if Scotland, with its renewable potential, were able to have a much greater percentage of its energy supplied by renewables, that would not be the case in the rest of the UK and in other countries around the world. Consequently, if we are to tackle carbon dioxide emissions, clean coal and carbon capture and storage have to be a part of any solution we find.

Thomas Docherty: I am most grateful to the hon. Lady for making that point. She is entirely correct that this issue is not only about security of supply, although that is the single most important aspect.

Gordon Banks (Ochil and South Perthshire) (Lab): Following on from the comments of the hon. Member for East Dunbartonshire (Jo Swinson), does my hon. Friend agree that there is also an economic and industrial factor to carbon capture and storage, and that the decisions taken in Holyrood and Westminster do nothing to create the momentum for the UK to be a leader in carbon capture and storage?

Thomas Docherty: Yet again, I find myself in full agreement with my hon. Friend, who, as my neighbouring MP, has taken a close interest in Longannet power station. I hope that he will be able to make further points in the debate shortly. As I was saying, security of supply must be the biggest single priority, but as colleagues have just mentioned there are other issues and I will turn to each of them in due course.

Where do we go from here on the issue of security of supply? We have two choices. We can have a balanced energy policy that has clean coal technology, nuclear power, some renewables and, regrettably, a limited proportion of gas, or we can put all the eggs into one basket, as the SNP has said in its manifesto that it will do. As I said earlier, I hope that the hon. Member for Banff and Buchan (Dr Whiteford) will spell out exactly why we should have 100% windmills and hydro, and how she will achieve that goal during the next decade.

[Thomas Docherty]

As I have mentioned, a very regrettable decision was taken by the Government on 19 October last year that, for obvious reasons, was very disappointing for my constituents and indeed for the whole of Scotland. That decision was that the Longannet scheme was not going to go ahead. However, there is a recognition that that decision was a pragmatic one and that the Government have a duty to the taxpayer. The problem with carbon capture and storage is that it is an unproven technology. No Government or private company have yet come up with a viable, large-scale carbon capture and storage scheme. I must say that successive Governments have been very late to understand that there comes a point when people have to push back from the metaphorical table and say, "We could throw billions of pounds of taxpayers' money at something and we still have no guarantee that that is going to work".

Regrettably, successive Labour and Conservative Governments have had a very poor track record of backing winners when it comes to new technologies and there is a genuine debate about whether Governments should try to back winners or whether they have a duty simply to put in place a market for private companies to come up with winners. Perhaps the Minister will be able to say more about the Government's thinking on that issue.

I make no criticism of Iberdrola or of Ministers for the decision that they ultimately made. Building on the excellent work of the Leader of the Opposition, my right hon. Friend the Member for Doncaster North (Edward Miliband), when he was Secretary of State for Energy and Climate Change, the current UK Government offered a £1 billion fund for carbon capture and storage. The only observation that I would make—as I say, it is not particularly a criticism but more a general observation—is that many colleagues misunderstood the nature of the competition. The competition was not a case of "last man standing wins the prize"; it was a marathon, and to qualify for the funding one had to reach the finish line. Regrettably, but for obvious reasons because Longannet was the last entrant in the competition, there was an assumption that it would receive the £1 billion. The UK Government and Iberdrola, the Spanish energy giant that owns Longannet, were clearly in the region of £500 million apart on the start-up and ongoing costs of Longannet. That is regrettable, particularly for my constituents, but I do not think this was doable for the UK Government.

What was bizarre was the intervention by our blustering First Minister, who outrageously leaked the confidential commercial information to a Scottish newspaper, showing, again, that he really is not a grown-up. Also, while he was pandering to the galleries and attacking the UK Government, I noticed from answers I received from UK Ministers that he did not offer a single penny of Scottish Government money to fill the gap. If the First Minister had been prepared to offer £500 million, we could have taken Longannet forward but, as ever with the SNP, all we get is bluster, grudge and grievance, with no solution. Perhaps when she speaks, the hon. Member for Banff and Buchan will spell out what the SNP Government would have done, because all they have done is their usual trick of having a pop at someone else and not offering any solutions.

As the hon. Member for East Dunbartonshire (Jo Swinson) said, there are some genuine issues here about not just security of supply, but the environment. I firmly believe that carbon capture and storage is a technology worth pursuing, and my preference remains for a coal station for the simple reason I have spelt out already: that I would be reluctant to go down the route of investing in a gas technology over the next 30 years, because gas is not an indigenous supply. I recognise that there is a strong case for Peterhead, which has been championed by my hon. Friends the Members for Aberdeen South (Dame Anne Begg) and Rutherglen and Hamilton West (Tom Greatrex). I hope the Minister will be able to outline in some detail where we are with that.

Dame Anne Begg (Aberdeen South) (Lab): Part of the problem with the Longannet development was that it was coal-fired. It would have had better energy returns, because a large proportion of the UK's energy still comes from coal-fired stations, but has not experimentation with carbon capture and storage for gas been more successful than the Longannet trial was proving to be?

Thomas Docherty: I am most grateful for my hon. Friend's observations. She is indeed correct. There have been some positive signs. My note of caution, however, is that there is a danger that we will go down the route of that classic British tradition, whereby Europe and the United States pursue one path and the UK does its own thing. One need only look back at the nuclear programme. While the rest of the western world was going down the water reactor route, the British, in our own quaint way, went down the gas reactor route, meaning that we had wonderful technology—what I would call the Betamax technology of nuclear power stations—but technology that was not compatible with anyone else's.

Gordon Banks: I will certainly not make any comments about Betamax or VHS. Does my hon. Friend not agree that, given the number of coal-fired power stations in the UK and the world, and the number of new ones coming on line in the developing world, the holy grail is carbon capture and storage for such stations? If we do not get our skates on, we will be left behind, economically and industrially, and will have to watch others develop the technology and create jobs in their economies, while having to import the technology and ability ourselves.

Thomas Docherty: My hon. Friend is exactly right. That is the holy grail. I am not sure if that makes my hon. Friend the Member for Rutherglen and Hamilton West the Sean Connery or the Indiana Jones of the analogy, but it is the holy grail that we should be pursuing, and it can be achieved. My point about Betamax is that it was a fine piece of technology, and our advanced gas-cooled reactors in particular were, and still are, superb engineering kit. I see that the SNP is now a convert to the case for AGRs, championing Hunterston and Torness having life extensions in the years ahead, but when the rest of the world is going down the VHS road, it is slightly disturbing to think that we are going to pursue gas at the expense of coal. Coal is the long-term priority, and there is a significant market, if we can get the technology to work: we can export it not just to developing countries, although that would be a big market, but to many western and European countries that are also very coal reliant.

I should perhaps say a little about the technology itself, and its benefits for Scotland. As Members are undoubtedly aware, the trick with the technology is not just to capture the carbon but to store it. The Peterhead scheme is, as I understand it, very similar to that for Longannet, in that it would seek to push the captured carbon up into the North sea, into land owned by the Crown Estate. It is important to recognise the Crown Estate's role, and perhaps the Minister can outline how that will work. Reuse of the now extinguished gas and oil fields off our UK shores is also provided for. Interestingly, the Longannet scheme was a tri-party approach, involving National Grid, Iberdrola and one of the largest oil and gas companies, which had an extinguished field. I hope the Minister can say more about how he will encourage the private sector to do more such partnership work.

It is worth saying that no short-term danger is posed to the Longannet power station by the current carbon capture and storage project not getting the go-ahead. The lights will not be turned off at the station tomorrow morning, but there is a question about its medium-term future. There is a genuine debate to be had about whether it would be the right decision to build another coal power station, whether Iberdrola should be encouraged to seek a further life extension, and if so what Government support could be offered, or whether, as at Cockenzie in East Lothian, a decision is made to shift the type of fuel. Whatever the options, I sincerely hope that the UK Government will do all they can to offer genuine support to Iberdrola as it seeks to take this forward, and I would be grateful if the Minister found time—for either himself or his colleague Lord Marland, who has, to be fair, been a big supporter of CCS—to meet with me. Whatever decision is made about Longannet, I hope, ultimately, that when we get successful CCS we can either retrofit the station or, if we do persuade Iberdrola to go for a new build, that we can get it included. For the benefit of my constituents, I would be grateful if the Minister spelt out what support the Government will be able to give to any new build fossil fuel plant that might be needed to keep the lights on.

I am conscious that other Members wish to speak, so I will draw my speech to a close.

David Mowat (Warrington South) (Con): I thank the hon. Gentleman for giving way. I have listened very careful to his arguments about coal and gas. It seems that this technology is a long way from being proven, and it would be a big win if we could get it to work for either gas or coal. I want to address the point about Longannet. The Government's most recent publication, "The Carbon Plan", which came out about a month ago, states that the first decision about an operational plant for CCS will be made in 2018. That is a long time after the current generation of coal is scheduled to be switched off, so there is an issue there if we expect this technology to save some of the coal stations that are planned to be switched off in the next five years.

Thomas Docherty: I am most grateful to the hon. Gentleman, because he has reminded me of an important issue. If the project had gone ahead at Longannet, the full 2,000 MW would not have been converted to a CCS scheme. Forgive me if my figures are slightly out, but roughly only 20% of the capacity would have moved across. He is entirely correct to say that it is a long-term technology. The problem with energy and its supply is that by its very nature it requires long-term decisions, which is what makes the SNP's ludicrous plan for 100% renewables so unachievable. They have no "plan McB"—to use the First Minister's slogan. When the hon. Member for Banff and Buchan addresses the Chamber, I would be grateful if she spelt out how an SNP plan McB would work, given that it is so clearly failing on its plan McA.

11.20 am

Ian Swales (Redcar) (LD): Congratulations, Sir Roger, on your ennoblement—that is not the right word, but congratulations on your award. I congratulate the hon. Member for Dunfermline and West Fife (Thomas Docherty) on securing the debate. It is an extremely important issue for the long-term future of our country from the point of view of both power and industry.

I have more than 25 years' experience in the electricity and heavy process industries. The delay in carbon capture and storage implementation at Longannet is disappointing. The UK is in a great position to exploit CCS. As Lord Oxburgh, president of the Carbon Capture and Storage Association recently put it:

> "Experience gained in the North Sea oil and gas industry, and the abundance of offshore geological sites where CO_2 may be stored underground have allowed the UK to become one of the global leaders in CCS. Capitalising on this early leadership is vital".

We certainly can be leaders. The same technology that has been so successful in the complicated job of extracting, storing and processing oil and gas from the North sea can be modified to put carbon dioxide back under the North sea. There is a skilled work force, and academia is already doing important support work. Professional bodies such as the Institute of Mechanical Engineers are very clear that the technology is perfectly practical, and there is a great future here if we move quickly. The global market in the technology alone is conservatively estimated at $10 billion.

A similar story could have been written some years ago about wind technology. We are one of the windiest countries in the world, but thanks to Government dithering and lack of public and private investment, we are playing catch-up and importing most of the technology and equipment. Having worked mainly in the private sector until May 2010, I am baffled at the interminable time scales I see in this job. When someone says something will take six months, my questions are: so what will happen tomorrow and the next day, and how can we shorten the critical path? I am then met by blank looks. I am sure that the giant new Tesco store being built in my constituency would not have gone from a green field to a functioning supermarket in six months with politicians and civil servants running the project. My challenge to the Minister is: how fast can we go and what is getting in the way?

We should be ambitious about CCS in the UK. It is needed to decarbonise our power production and our heavy industry. The areas that get CCS infrastructure will become magnets for new power and industrial investment. That means that we can protect energy-intensive industries, which are currently being challenged by European Union and United Kingdom climate measures, and help to reverse the decline in our manufacturing sector. Failure to act will lead to more announcements like the

[Ian Swales]

recent one on the closure of the UK's last aluminium smelter. Ironically, it is in Northumberland next to the North sea, and the owners had considered using CCS to keep the plant going. It is now too late.

Where should CCS investment take place? Again, we should be ambitious. There are four obvious prime locations: the Aberdeen area, the Forth, the Tees and the Humber-south Yorkshire area. They all have merits, and the Department of Energy and Climate Change should kick-start development in them all. A long-term strategy should be developed for CCS infrastructure.

Thomas Docherty: I have listened carefully, and disturbingly I find that I must agree with a lot of what the hon. Gentleman says. On his point about funding all the schemes, surely the great challenge is that there is a finite pot of money. How should that problem be addressed?

Ian Swales: I thank the hon. Gentleman for that challenge. I do not necessarily see it as my job to represent the Treasury, but £1 billion for less than a quarter of the Longannet power station was not a good use of money. Having talked to people in the industry, I think that there are better ways. Conglomerates of private sector companies want to get into the sector, and we need to be more imaginative about how we make that happen.

Dame Anne Begg: One problem is that at the moment, the private sector cannot see that it is a worthwhile business proposition. One of the difficulties faced by CSS in this country is that the economic arguments do not yet stack up.

Ian Swales: The hon. Lady makes a good point, and that is where we must challenge the private sector and be imaginative about the schemes. I will come on to a scheme I am familiar with that is not in Scotland, but for which there is already a conglomerate of companies ready to roll—household names in the gas and pipeline industries and lots of different companies. It can be done.

To those who say that such development is highly expensive, I say that we need to look more at the overall longer-term finances for the Government, industry and energy generation. For example, it has been estimated that the CCS project proposed for Teesside can generate a peak of £1 billion a year in extra petroleum revenue tax for the Government, through oil companies using CO_2 to get more oil from their North sea wells. That possible extra oil recovery from the North sea is estimated at 4 billion barrels. The use of CO_2 for enhanced oil recovery is already widely practised in the United States.

The debate is about Scotland, but a project is ready to go in Teesside, and the necessary list of major players in pipelines, processing and so on are ready to start. More than 30 large CO_2 emitters in the power and industrial sectors can be connected to the system. Interestingly, a few of those are using biomass, which raises the prospect of net carbon-negative power—sequestering CO_2 from the atmosphere. By generating clean power and running clean industry, CCS can make a huge contribution to UK climate change targets. A clear and ambitious UK-wide strategy, action to remove roadblocks to progress and a sense of urgency are needed from DECC, so that the UK can genuinely lead in this exciting new industry.

11.28 am

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I congratulate the hon. Member for Dunfermline and West Fife (Thomas Docherty) on securing the debate. I am rather disappointed that he chose to squander his opportunity today; instead of asking the Government about progress on the plans for carbon capture and storage in the UK, he preferred to take pot shots at the First Minister, who not only is not here but does not have the power to make decisions on CCS that will be made under the current constitutional arrangements.

I want to focus on CCS in Scotland. I share the hon. Gentleman's disappointment and frustration over the abandonment of the Longannet project. It promised job security for the folk involved, offered technological innovation and would have brought significant investment to Fife. I regret that it hit the buffers, but it is not only the people of west Fife who have been frustrated by the slow progress of carbon capture projects in Scotland. Peterhead, in my constituency, has long been recognised as having leading potential as a site for CCS. Indeed, Scottish and Southern Energy asserted that Peterhead represents the best site in the UK for a gas demonstrator CCS project. By no means is that a new plan. The previous CCS plan for Peterhead was abandoned in 2007, after expectations were raised and then dashed. Frankly, delays and indecisiveness on the part of Government led BP to scrap its plans and turn its attention to projects overseas. The problem was that the previous Government were not decisive enough.

Thomas Docherty: The hon. Lady has commented on two decisions, but will she clarify whether a Scottish Government, if they had the powers, would have gone ahead with both those schemes? Would they have put up the £1.5 billion to £2 billion needed for Longannet and the sum needed for Peterhead?

Dr Whiteford: I do not deal in hypotheticals. I wish that the hon. Gentleman would turn his attention to where we are now and how we are going to progress, because important questions need to be answered.

Thomas Docherty: That is a no.

Dr Whiteford: No, it is not. The Scottish Government's commitment to carbon capture and their involvement in discussions about Longannet and Peterhead have been constructive throughout the process. I hope the Minister will comment on how he has worked with the Scottish Government on the carbon capture and storage projects.

The Peterhead project was resurrected in 2010 when Scottish and Southern Energy Group revived the idea, and last November it joined forces with Shell to make progress on the plans. Those companies are committed to a gas demonstrator at Peterhead, using storage in the Goldeneye field and the existing North sea infrastructure going out from St Fergus. The Goldeneye field is available and has the right pressure and capacity to make the project viable in technical terms.

I do not think there is much argument any more with the view that we need to mitigate the environmental impact of fossil fuels if we are to have any hope of meeting our international commitments and obligations in tackling climate change. We need to continue using fossil fuels, but we also need to make them cleaner. It is also evident—I was surprised by the hon. Gentleman's comments on this—that gas will remain a crucial part of our energy mix. What are the Minister's views on the role of gas in the UK's energy supply? It is important to understand the role that CCS might play, not just from the perspective of energy security, but from that of the sustainability of our planet.

Thomas Docherty: Will the hon. Lady give way?

Dr Whiteford: I will, and I hope the hon. Gentleman's intervention will be better than his previous one.

Thomas Docherty: I am not sure whether I heard the hon. Lady correctly, so will she clarify whether she thinks it a good thing that we would import 80% of our gas not from Norway, but from Kazakhstan, the middle east and other slightly insecure regions?

Dr Whiteford: I agree with the hon. Gentleman that energy security is crucial, but the point about gas is that I do not think we have a choice any more, and the reason why we will have to use gas, wherever it comes from, is the previous Government's indecisiveness. They refused to make decisions, for example, on whether to have new coal at Kingsnorth. After 13 years in government, it is very easy for the previous Government to put pressure on the new Government, but they need to take some responsibility for their own decisions when they were in office and their failures, which have made us very dependent on external gas at present.

That, however, does not negate the argument for a CCS gas demonstrator project at Peterhead. We are where we are and we are dependent on gas, but the proposed Peterhead site fits in extremely well with both the UK's strategic objectives and the EU's strategic priorities. It is also very well located for old oilfields in the North sea. We are in a good position to use them—it is probably a better position than that of anywhere else in Europe at present.

David Mowat: I agree with the hon. Lady that gas is the default solution to energy where decisions have not been made. On gas from overseas, I think I am right in saying that the majority of our coal also comes from overseas at the moment, but we can rest assured that, from 2015, Europe is likely to be flooded with cheap shale gas from the US, so I think our concerns about that particular fuel source are misplaced.

Dr Whiteford: I am grateful to the hon. Gentleman, who has considerable expertise in this area, for making the important point that it is not just gas but coal that comes from overseas. The point about CCS technology is that it is extremely marketable and the UK has a comparative advantage in that market. A number of coal demonstrator projects are taking place elsewhere in Europe, whereas gas is not being explored to anything like the same extent internationally. That could give us a proper comparative advantage in gas CCS technology. It is about not just our domestic markets but international marketability.

The key issue is funding. There is no doubt that the collapse of the Longannet project and the Treasury's announcement that it would reallocate the underspend has created a great deal of anxiety and uncertainty. However, Shell and SSE have made it clear that they would require funding in the next two to three years to make the project viable, and revenue support during the operational period. In that respect, the energy companies have argued that spreading the finance too thinly over too many projects risks jeopardising all of them.

What proportion of the funding will the Government make available during this Parliament? What discussions have been had about the prospects of levering in further investment from sources other than those in the public sector? What is the Government's response to the argument that the UK needs to focus its efforts on funding and risk management? The Government have published a timeline for implementation. How likely is that timeline to be met and how is it progressing?

We have to recognise that this is a demonstrator plant. It carries investment risks and might not go smoothly and completely according to plan, but that is why it is so important for it to have Government backing. I hope the Peterhead project will progress apace.

11.36 am

Gordon Banks (Ochil and South Perthshire) (Lab): I congratulate my hon. Friend the Member for Dunfermline and West Fife (Thomas Docherty) on securing this debate, which is extremely important to Fife and central Scotland, as well as to the UK in general. I am disappointed with the Longannet decision. It affects my constituency, which borders that of my hon. Friend more or less at Longannet, very much. Many of my constituents work at Longannet and I would have had high hopes of many more of them finding employment in a successful carbon and capture storage plant there, but we are where we are.

It is vital that we have a balanced energy policy. We have to embrace renewables of all natures and there has to be a role for fossil fuels and, indeed, nuclear. We have to have a guarantee that, when we press the light switch, the light comes on. Unless we embrace all available technologies to ensure that that happens, we will find ourselves socially and economically challenged.

We need to determine—we can only do this through full-scale trials—whether carbon capture and storage is a real option for future economic prosperity, as well as for dealing with the knock-on environmental issues, which are the driving factor. It is equally important to determine what a successful CCS programme—developed and branded in the UK—could deliver to the UK economy in terms of revenue and the skills of our constituents.

The Scottish Government did not do anything in relation to the Longannet decision. There was a lot of hot air from the First Minister, and it is hot air that we are trying to stop. It would have been much more constructive for the Scottish Government to have done something to facilitate the development of Longannet. Did the Minister have any discussions of that nature with the First Minister?

[Gordon Banks]

In an intervention, I made the point that, with coal-fired power stations in the UK and throughout the world—an increasing number are coming online in countries such as China—CCS is the real gain and the holy grail. We need to focus our minds on it in the UK, while bearing it in mind that both the public and private sectors have limited resources to invest. I will come to that in a moment.

Can the Minister confirm the expected release date of the CCS roadmap, because that is absolutely vital for the private sector embracing the challenge of this technology and seeing the Government as a partner in this? Unless the Government play their part, we cannot expect the private sector to play its part. That in itself will create jobs, technology and developmental skills that I hope we can build on and in some way export. CCS could create 13,000 jobs in Scotland and 14,000 jobs elsewhere in the UK. By 2025, the sector could be worth more than £10 billion a year to the economy, which, in addition to the environmental impact, makes CCS a bit of a no-brainer. We have touched on how many times we have been left behind.

Ian Swales: Does the hon. Gentleman agree that, if CCS is worth £10 billion to the economy, those who will benefit have an incentive to help to get things going? It does not seem to make sense to rely only on Government funding.

Gordon Banks: The hon. Gentleman is perfectly correct, but what the private sector needs is for the Government to show a willing lead. What happened at Longannet could be construed as not demonstrating that. The Government need to step up to the plate here and throw the gauntlet down to the private sector.

As I was saying, how many times have we been left behind and missed the boat in the UK in terms of various different technologies? The hon. Member for Redcar (Ian Swales) talked about wind technology. It is a crying shame that we are where we are with wind technology. We are largely importing the technology and the equipment to build turbines. That really has been a missed opportunity. Although CCS may be costly—I will come back to that matter—it is an opportunity we cannot afford to miss.

We need something from the Government to show that they are embracing CCS and that demonstrates to the private sector how serious they are. The hon. Member for Warrington South (David Mowat) raised the point about CCS being expensive. Yes, it is. There are no cheap or quick fixes to our energy position, but we have to consider what the fixes are and CCS is potentially one of them. Governments in Holyrood and Westminster need to step up to the plate, and I am not sure they are doing that.

Thomas Docherty: Does my hon. Friend have any views on what Governments can do in terms of the planning system, because it strikes me that one of the great challenges we face, particularly given the long lead-in time on a new-build plant, is ensuring that that type of decision is not held up unnecessarily through the planning process?

Gordon Banks: My hon. Friend makes a valuable point. We must determine what becomes a priority in the United Kingdom and ensure that people's lives are not blighted by decisions that are trying to make things better. There is a real need to recognise that we must have security on a core range of issues, one of which is energy. I embrace the possibility of ensuring that future CCS opportunities and, indeed, new build with carbon capture get the relevant scrutiny and are of benefit to the UK, Scotland and the immediate community. Future CCS opportunities need to be fully valued and evaluated in that process.

In conclusion, the Longannet decision was extremely disappointing. It did not send the right message to the energy sector or to the people working in it. Today, the Minister has an opportunity to try to undo some of that damage and I look forward to his comments with bated breath. I hope that he will take that opportunity on board.

11.44 am

David Mowat (Warrington South) (Con): Thank you for letting me speak, Sir Roger—I had not intended to do so. I want to make two points in relation to some of the comments I have heard: one in favour of CCS and one expressing some reservations. I will mention the latter one first, which relates to cost.

Many hon. Members have talked about the benefits of CCS technology. Of course, we live in a country where energy is still 90% fossil fuel generated, and anything that can enable us to make the transition from that in a carbon-free way, such as CCS, is attractive. Yet there seems to be something wrong. What the Government should be doing is setting a price for carbon and then letting the private sector do the work. We do not know the details about Longannet but, for whatever reason, that approach is not enough. People are saying that we have to invest a further £1 billion here and have a further pilot scheme there. What the Government's role ought to be—this is the energy market reform—is, as it is with nuclear, to set a price for carbon, give industry that stability and let it make the investment. For example, let us consider Iberdrola.

Ian Swales: The hon. Gentleman might be interested to know that the pressure I feel in my constituency is essentially coming from industry, not from power generators, because industry can very much see what is happening to it competitively and so on through carbon pricing. Does he agree that there may be a carbon pricing method that can incentivise the power sector to play its part in bringing this new technology on board faster?

David Mowat: I do not, no. If this technology is to work, it has to be done on the same playing field as everything else. I mentioned the price of carbon. The other thing about CCS technology that is not in doubt is that it requires an injection of power over and above what a power station is currently using—in the order of 25% for coal. That is an immediate increase in emissions and everything else just to make CCS work.

Gordon Banks: I want to press the hon. Gentleman and ask him whether he is advocating that the Government should not be spending this £1 billion.

David Mowat: I am willing to accept that this technology is new and that the Minister might therefore say it is a bet to try to get it to work in our country. I agree that our country is uniquely well suited for CCS because of the offshore gas fields. In places such as Germany, people have been resistant to CCS because the fields are onshore and they do not want CO_2 under them. Our country is in a uniquely good position for CCS, as it is for wind, and I do not necessarily begrudge the Government spending the money. However, I repeat the point that, structurally, the energy market reform sets the price for carbon and we should let the market decide. We will watch with interest whether the market does decide that this technology is worth pursuing. That is my negative point. I shall now make my positive point.

Thomas Docherty: The hon. Gentleman is certainly bringing a different perspective to the debate. Does he not accept that Governments have given subsidies and financial support to both nuclear and renewables for a decade-plus and that CCS pump-priming would be no different from the support that those industries already get?

David Mowat: That is a fair point. In the energy market reform that has been published, the Government are very proud of the fact that they are giving no subsidies to nuclear in going forward—*[Interruption.]* Well, that is a different argument. The Government have subsidised and continue to subsidise renewables. That takes me to my next point.

Dame Anne Begg: Will the hon. Gentleman give way?

David Mowat: Certainly. I have clearly aroused some interest.

Dame Anne Begg: Does the hon. Gentleman accept that it is not simply about the economic argument because if we leave the market to decide, it will always go for the cheapest option? There is also an environmental argument and the Government need to be involved on that basis because this is still a new technology with demonstrator projects. Until the technology can be proven, the market and the industry will not make the investment. The Government may therefore need to make that investment to pump-prime and ensure that we get the environmental benefits.

David Mowat: Just to be clear, I completely buy into the Climate Change Act 2008 and its requirements. However, the way that the Government have chosen to meet their environmental obligation is by setting a price to carbon. That is what makes CCS viable because, obviously, the companies will save the money from burning the carbon at whatever the rate is—£30 or £50 a tonne—and so on. That is my point. The level playing field that the Government are trying to obtain through the energy market reforms is being achieved over the medium term by the price of carbon.

Let me now make my point about CCS from a more positive point of view. What worries me a little about the Government's position on CCS is a little similar to what worries me about the Government's position on nuclear. Both CCS and nuclear have one thing in common: they are extremely good at reducing carbon, but they are not renewables. The Government have an issue to work through, and I have said this in other forums. The Climate Change Act 2008 requires us to reduce our carbon emissions by 80%—a huge and difficult target, but it is right that we are trying. My concern is that, in 2009, the EU 20-20-20 directive required us to increase our use of renewables by a factor of five over a decade or so. That objective is not necessarily consistent with the objective of reducing carbon.

It is possible that CCS may lose out, like nuclear, through a little bit more ambivalence on the part of Government. I looked at the Government's carbon plan. It estimates how much of our electricity will be produced from CCS by 2030 and how much will be produced from renewables. I am not anti-renewable at all, if it can be made to work in a cost-effective way. The Government's estimate for 2030 is a factor of five difference between renewables and CCS. I do not know whether CCS will be made to work or not. We should try, and it would be great if it did, but I am worried that the emphasis of policy is not on carbon reduction. The emphasis of policy is on renewables, and that might take us to, or down, a sub-optimal path.

Ian Swales: Just one point of clarification: those two things are not necessarily entirely separate. A new 300 MW biomass power station has been announced for Teesport. A CCS network in the area could actually feed into that. As I said earlier, we could end up with carbon negative power as a result of doing that, so they are not entirely separate. While 300 MW is not a huge amount, it is worth noting that the Longannet project was only 400 MW.

David Mowat: I agree. I mentioned CCS and nuclear as opportunities. Biomass is also an opportunity. In common with the first two, it is also not a renewable. As I said, I am concerned that the emphasis of policy is in the wrong place. The 2008 Act was a hugely ambitious plan to try to achieve. We should not be diverted from doing so and we should look very hard at optimising that.

[Mr George Howarth *in the Chair*]

Finally, we have not really covered nuclear in any detail, other than an exchange at the start between two hon. Members from north of the border—the hon. Member for Dunfermline and West Fife (Thomas Docherty) and the hon. Member for Banff and Buchan (Dr Whiteford). People say to me that there is no cost-effective option. On the facts, it would appear that nuclear is cheaper than some of the other options, but of course the market needs to determine that. I agree with that. The carbon price will allow that to happen. That needs to be the case with CCS.

11.53 am

Tom Greatrex (Rutherglen and Hamilton West) (Lab/Co-op): It is a pleasure to serve under your chairmanship, Mr Howarth.

We have had an interesting and wide-ranging debate on CCS in Scotland and other related factors. It is not a surprise that the debate has sometimes ranged beyond CCS projects in Scotland, because so many aspects of energy policy and energy considerations are tied up with the potential—the potential projects and the success, or otherwise—of CCS. I am sure there are many other

[Tom Greatrex]

issues, from the contributions we have heard, that the Minister will wish to reflect on. He missed the very start of the debate, but what is gratifyingly clear from the whole of the debate is that—despite one comment from the hon. Member for Warrington South (David Mowat)—nobody taking part in the debate fails to see the potential of CCS and its impact. From time to time there is a view that, because CCS is unproven and has not been demonstrated on a commercial basis, it is a distraction. I do not believe it is a distraction. It is integral to achieving the right, balanced energy policy and the right mix of energy sources, and to reducing carbon emissions at the same time. It is interesting and positive, therefore, that that view has not been expressed during the debate.

I congratulate my hon. Friend the Member for Dunfermline and West Fife (Thomas Docherty) on securing the debate. He touched on many issues from the perspective of representing the Longannet power station. Everybody felt disappointed with the announcement that Iberdrola and the Government had concluded that the Longannet project was not able to go any further without significant additional funds. In fact, even with the significant addition of funds, there may well have been other technical issues that made it impossible to go further. That decision was not necessarily a party political issue. It is, I think, a deep disappointment to everybody who is interested and committed to energy policy.

Some of the commentary around the issue was unhelpful. I had the pleasure—it was not that much of a pleasure—of rereading some of the comments made by the First Minister and other members of the SNP immediately after that decision. While I understand that the predecessor of the hon. Member for Banff and Buchan (Dr Whiteford) was caught up in the moment at his party conference shortly afterwards, his description of the Government turning their back on a world-leading technology and £1 billion of investment not being there was perhaps going further than the facts allowed. That was disappointing in many ways, but not necessarily that surprising.

Thomas Docherty: Does my hon. Friend think it is interesting that, for all the bluff, bluster and ranting from the SNP, when push comes to shove they would not have put a single penny into the scheme? We have heard nothing today about how much it is prepared to fund.

Tom Greatrex: I think my hon. Friend is trying to tempt me into one aspect of a constitutional debate that we will have, and I am sure we will have plenty of opportunities. I join other hon. Members in seeking clarification from the Minister on what offers of funding for CCS were made, if any, from the Scottish Government. It would be interesting to learn more about that issue if he has the opportunity to address it in his winding-up speech.

I want to reflect on some of the contributions to the debate, because so many aspects of energy policy are tied up in them. My hon. Friend the Member for Dunfermline and West Fife touched on security of supply. My hon. Friend the Member for Ochil and South Perthshire (Gordon Banks) touched on the importance of the industrial and technological potential that undoubtedly exists in the UK. The clock is ticking, however, and he gave an apposite warning about the potential for missing out on that, as indeed did the hon. Member for Redcar (Ian Swales), who has experience in the industry and related industries. The hon. Member for East Dunbartonshire (Jo Swinson) made the important point that this is also about reducing carbon emissions, which is fundamental to our energy future.

Scotland has had a relatively long, and sometimes chequered, past—and present—with CCS: from Peterhead to Longannet, and back to Peterhead again. There is also the potential of the Hunterston project, which is currently caught up in the planning process. Other hon. Members referred to the difficulties that can arise with the planning process.

At various points, there has been lots of excitement about the potential of all those projects in Scotland. There is a real opportunity for Scotland to be a world leader in this low-carbon technology. Much of the academic expertise is in the UK, particularly in Scotland, notably Edinburgh. It would be a shame if that potential was not realised first in the UK. As my hon. Friend the Member for Ochil and South Perthshire made clear, we should not overlook the potential for jobs and the value to the economy. Many hon. Members have touched on Scotland's potential, particularly within the UK. It has access to geological formations off the North sea that are ideally suited to carbon storage, and we have heard about the issues in Germany and elsewhere regarding under-land storage.

All those things make it important that the Government remain committed to CCS, including, potentially, in Scotland. That does not mean that the decision on Longannet was not disappointing, as I have said: it was bad news for the plant, for the local economy and for Scotland. My two hon. Friends here today with local connections made that point eloquently. However, as my hon. Friend the Member for Ochil and South Perthshire said, we are where we are and we have to deal with the realities. The important thing now is that the potential demonstrated in the work at Longannet is not lost, so that we do not have to start from scratch.

I am pleased to have found out in my discussions with Scottish and Southern Energy—or SSE as it is now formally known—that some work undertaken at Longannet is being used to help inform current work in relation to Peterhead. It is important that we do not have to start from scratch each time, because then our ability to get ahead of the game would almost certainly be lost.

It is important and significant that we understand the difference between CCS being encouraged through other aspects of energy policy, including carbon pricing, in the longer term—as the hon. Member for Warrington South mentioned—and where we are now, because this technology has not yet been proved commercially on a significant scale. The real potential has been demonstrated, but it is reasonably widely accepted, if not universally, that to get that benefit Government intervention and support is needed in the initial stages.

The hon. Member for Banff and Buchan touched on the Peterhead project, and many hon. Members who are not here have commented on the decisions made in 2007. I am tying this issue into Longannet because sometimes, as I have said, party politics gets in the way of the realities of projects that have potential but, for whatever reason, cannot be taken further forward.

The predecessor of the hon. Member for Banff and Buchan talked about the Peterhead project being lost to Abu Dhabi. He is a frequent traveller, at the moment, to that part of the world. I wonder whether he would, either through the hon. Lady or at some other point, inform us what happened in Abu Dhabi, because I understand that BP's hydrogen power project has still yet to get the go-ahead there. Sometimes the simplistic sloganising around this issue does a disservice to the technological, practical and engineering hurdles that we still need to get over. Sometimes, the degeneration of this important matter into an "England versus Scotland" or a "Scotland being done down" debate does it a disservice.

Funding is important and I am sure the Minister will have expected me to mention that, given that I have used many opportunities in the past few months to seek answers on this issue. It is important that we get clarity from the Minister today, including about the funding that is available going forward. At the time of the Longannet decision, the Minister's boss, the Secretary of State for Energy and Climate Change, said at Energy questions that there would be no backsliding from the Treasury, that the £1 billion would be available for CCS funding, and that that was an absolute commitment. Yet the day before the autumn statement—I am sure the Minister recalls the radio interview—the Chief Secretary to the Treasury made it clear that the £1 billion for CCS would be subsumed within the £5 billion infrastructure plan, although he was not clear about what would then be available for CCS. The ramifications of the interview on 5 Live that morning were pretty significant and have caused a degree of concern in the industry that has not yet abated. Perhaps the Minister will comment on that and say what that means for the timeline for the development of CCS.

The subject of the debate is projects in Scotland. The Minister will be aware of SSE's projections regarding when it expects such projects to be up and running: that is, before the end of current comprehensive spending review period. There is a degree of doubt and concern about that, because the Government are saying that the £1 billion will be available, but not necessarily in this Parliament. How can they make that commitment ahead of the next CSR? The industry is concerned about certainty and stability in relation to that funding; it is important that it know exactly where it stands.

Again, will the Minister make clear how much of the £1 billion that his boss said there would be no backsliding on will be available during the current CSR period? How much of the £1 billion previously set aside for CCS will now be used for other infrastructure projects? Will those other infrastructure projects in the Treasury infrastructure fund exclude CCS, and is the money being double-counted? What form will the remaining funding take? Will it be up-front capital, or fixed or variable payments over time?

I am asking the Minister these questions again because on 29 November 2011, I asked the Chancellor during his autumn statement to provide some clarity, but he was not able to do so. On 1 December I asked the Secretary of State for Energy and Climate Change to provide some clarity, but I am afraid his answer was not clear. On 6 December I asked the Chief Secretary again to provide further clarity, but, again, he was unable to do so. On 15 December I even asked the Leader of the House to provide some clarity, and he said that he thought the issue had been dealt with with the appropriate degree of clarity beforehand.

Four Cabinet Ministers were, in the space of 11 sitting days, given an opportunity on the Floor of the House to spell out clearly and without ambiguity exactly how much money was available for CCS in this Parliament, what the impact would be on the timeline for distributing that funding and whether the funding was, potentially, being spread far too thinly to have a positive impact. On each occasion the Government were found wanting: rather than providing potential investors with the clarity they were asking for, they preferred to provide further confusion.

The Energy Minister even claimed, in a written answer to me, that the Chief Secretary to the Treasury had not made any announcement on CCS funding. People who heard the interview I have mentioned would beg to differ: although it may not have been a formal announcement to Parliament, that statement by the Chief Secretary has caused such a degree of concern that it is incumbent on the Government to provide the clarity we need now.

I should like to touch on the European NER300 funding package. The lack of clarity about Government funding for CCS projects has a knock-on effect on other sources of funding, which hon. Members have mentioned, whether private or public. One such source is the European Union NER300 programme. The six CCS projects competing for funding from the UK are also doing so at European level.

The Peterhead project is seeking funding. The chief executive of SSE, Ian Marchant, has made it clear that the development of the commercial-scale CCS demonstration is dependent, to some extent, on levels of support from both the EU and the UK Government. The criteria for accessing EU funding are clear. Before any allocation of EU money for a CCS project that is seeking both member state and EU funding:

> "Member States will be asked to confirm the value and structure of the total financing of the projects concerned, and any project for which confirmation is not forthcoming will be replaced by the next highest-ranked project."

Those words are chilling, and unless that criterion has changed, they highlight the urgent need for the Government to get in place their plan in relation to CCS, so that that opportunity is not missed.

The Government held an industry day just before Christmas, which many people were hoping would answer some questions. Given the questions and answers published on the Minister's website and the views of people who attended that event, I do not think it answered many questions, other than to say that at some point questions would be answered. I hope the Minister takes this opportunity to answer those important questions.

Scotland is at the forefront of this pioneering low-carbon technology, which could hugely benefit our energy security and how energy policy is taken forward across the UK and more widely around the world. However, as hon. Members have highlighted, the right support from the Government is needed to get that opportunity up and running. It is time for the Minister and the Government to bring the uncertainty to an end, to provide clarity and to come clean on CCS.

12.9 pm

The Minister of State, Department of Energy and Climate Change (Charles Hendry): It is a great pleasure to serve under your chairmanship today, Mr Howarth. I begin with an abject apology to you and to the House for my late arrival. I am afraid that there was confusion in my office about the time at which the debate started; I therefore turned up slightly late. I apologise profusely and will write to Mr Speaker to make my apologies known to the House.

In particular, I had wanted to hear the comments of the hon. Member for Dunfermline and West Fife (Thomas Docherty). He has shown a strong personal commitment to the issue that goes way beyond the interests of his constituency alone, to look much more broadly at the interests of carbon capture and storage and future energy development in the United Kingdom and particularly in Scotland. I am profoundly grateful to him for his interest and the expertise that he has shown, and I was keen to hear his remarks in full—I will read them—but of course I accept his request for a meeting. If he and other hon. Members wish to talk to me about their concerns in more detail at any point, they are more than welcome to do so.

We have had an extremely valuable debate, characterised by the extent to which hon. Members have spoken with both commitment and expertise. It reinforces why we all desire the issue to be seen as outside politics, and there is an enormous prize for our whole country. People looking to invest want to see as much clarity and agreement between the parties as possible, to which the tone of the debate has been conducive. We are all frustrated about the pace of progress and we are all disappointed that the Longannet project could not be made to work within the budgetary framework, but we are all equally committed to taking the issues forward, to ensure that the United Kingdom is one of the most attractive places in the world in which to invest in CCS. The UK has unique facilities, which should put it at the forefront of developing CCS, and Scotland is at the forefront in the United Kingdom. The industry's potential for Scotland, for existing industry and for new industries that want to support CCS and to provide part of the supply chain is extremely comprehensive.

The frustration was outlined before the general election by Paddy Tipping, then the Member of Parliament for Sherwood and a member of the Select Committee on Energy and Climate Change, who said it was a competition without end—the competition for CCS seems to have gone on for ever. Given that we must now proceed with new urgency on setting a new competition, it is not lost on any of us that we wasted the chance over a number of years to take the opportunity forward, and we must now do so with extra vigour.

Thomas Docherty: Does the Minister share my observation that part of the problem with the previous competition was people's apparent belief that it was a case of the last bidder standing, rather than of having technology that worked? Can he ensure therefore that much more robust criteria are set down at the start, so that everyone understands what the competition is?

Charles Hendry: My concern was always that the competition was too narrowly focused. Given the requirement for post-combustion technology, the interest in pre-combustion technologies, such as the BP project at Peterhead, could not qualify. The assumption at the time was that the technology could then be sold to China and elsewhere to retrofit old plants, but the Chinese are now clearly quickly developing their own technology that they want to sell to the rest of the world, so we need to look at a wider range of technologies. An added complication, which I will come to later, is retrofitting an old technology to an old plant, with the significant extra costs inevitably occurred in bringing that plant up to scratch, to give it decades of future life, on top of the cost of the CCS alone.

We all agree that CCS can play a fundamental part in delivering our secure, low-carbon energy needs. It provides us with a generation option that other technologies do not: its flexibility can provide a balance between the intermittency associated with renewables and the base-load nature of nuclear. It allows fossil fuels to play a full part in our low-carbon future and allows the decarbonisation of industrial emissions. We—the whole of the United Kingdom and the Government—remain firmly committed to working with industry to achieve that.

We have made available £1 billion of capital funding to support early CCS projects, and I will say more on that in a moment, in response to the questions. We are establishing a market for CCS electricity through our reforms to the electricity market. We are continuing to lead the world in putting in place the regulatory framework to support CCS, including legislation on third-party access to pipelines. We are supporting essential research and development, including opening the UK's first carbon capture demo at the Ferrybridge power station. We have also established the CCS development forum, which has drawn together around 40 members from the industry to be directly involved in delivering CCS in the United Kingdom, together with representatives from the international academic and non-governmental organisation communities.

There are many different ways to achieve the decarbonisation of the power sector. At this stage, it is not possible to predict which will be the most cost-effective route or what exactly the power sector will look like in 2030. Nevertheless, we can use economic models to produce projections, using the best evidence currently available. Analysis undertaken for the carbon plan of the Department of Energy and Climate Change suggests that around 40 to 70 GW of new low-carbon electricity generating capacity will be needed by 2030, depending on demand and the mix of generation built. In response to the point made by the hon. Member for Banff and Buchan (Dr Whiteford), a strong continuing role for gas is envisaged in that mix.

Ian Swales: The Minister mentioned economic modelling. Do the Government have any wider modelling that takes into account the whole picture, not only carbon capture and the grants that might be required to get it going, but—my earlier point—petroleum revenue tax resulting from enhanced oil recovery?

Charles Hendry: My hon. Friend makes an interesting and valuable point. Our focus so far has been on how to advance the technology and to make it commercially viable and on how to bring down the cost. Our focus therefore has been on the energy sector, but he is absolutely right about a range of other benefits, not least in PRT

or revenue that might come through enhanced oil recovery, which I will come back to, as well the supply-chain opportunities, the wealth that that creates for the economy and the tax revenues that will come into play.

Our analysis shows that CCS could contribute 10 GW of capacity to the UK electricity market by 2030 and up to 40 GW by 2050. I want to be absolutely clear that we are not setting targets for separate technologies. The industry's ambition for CCS, as set out by the Carbon Capture and Storage Association strategy paper last year, is significantly higher than in our modelling, seeking 20 to 30 GW by 2030. We would be happy with such deployment, provided that it is the most cost-effective way to meet our decarbonisation targets—an issue raised by my hon. Friend the Member for Warrington South (David Mowat). We must do three things to make that possible: provide incentives for investment, bring down the costs of the technology and tackle barriers to deployment.

The key to delivering the investment that we need in the UK electricity sector is confidence, for both technology developers and investors in the long-term future for their technology, and in the certainty of opportunity for those who want to take forward CCS and other low-carbon technologies. That is why the Government are implementing the biggest reforms to the electricity market for a generation, to provide the certainty that investors require and to create an industry for CCS, rather than only a few pilot projects. We are committed to reforming the electricity market to incentivise the deployment of low-carbon generating capacity.

Electricity market reform is a game changer for CCS. The reforms that we have announced offer the prospect of a future market for CCS electricity that will drive investment in commercial CCS plants. We are considering reforms that offer a range of benefits: longer-term contracts to provide stable financial incentives; support for early CCS projects, with contracts designed to recognise the associated uncertainties; an emissions performance standard set at the equivalent of 450 grams of carbon dioxide per kWh; and a carbon price floor that will further incentivise investment in low-carbon generation. With such incentives in place, the deployment rate for CCS will be dependent on the costs of the technology and how they stack up against nuclear and renewables.

If CCS is to be competitive with other low-carbon technologies, we and the industry must work together to understand the costs and how they can be reduced. There are two elements: technical discovery, through both research and development and learning by doing, and reducing the perceived risk of investing in a new technology, which leads to higher premiums for investment. We are tackling these issues in two main ways: through our £125 million research and development programme, which will continue to provide support for projects such as the UK's first carbon capture pilot at Ferrybridge, which was opened by the Secretary of State for Energy and Climate Change last year; and through our new CCS delivery programme, which will support larger-scale projects, delivering learning by doing, moving the technology forward and reducing risk premiums. The programme will focus on achieving the overall outcome of cost-competitive, low-carbon electricity from fossil fuel power stations in the 2020s, thus achieving exactly what we want, which is a long-term industry in the sector.

Thomas Docherty: The Minister will recall that I previously met him to discuss transmission charging. At that time, we referred to the fact that fossil fuels that come up and down are charged on their capacity rather than what goes to the grid. Will he set out briefly the Government's thinking on that and how we can change the system?

Charles Hendry: The hon. Gentleman's point is critical to the whole Scottish electricity sector. The work is being taken forward by Ofgem through Project TransmiT, which is considering the appropriate regime for charging when electricity is transmitted over long distances. It will set out its thoughts during the next few weeks, and that can be discussed in more detail. I am very encouraged by the progress that I understand is being made to find a formula that will work for those who are developing projects north of the border and in other parts of the country. More detail will be available shortly, but it is critical to the development not just of CCS in Scotland, but to the whole electricity generating sector north of the border.

We are putting in place a strong financial offer for early CCS projects, and it is one of the best offers anywhere in the world. It includes the £1 billion that is available for the up-front capital costs of projects, the potential for low-carbon contracts for difference to support operational costs and the potential for European new entrant reserve funding, which we fully support.

In response to the point made by the shadow Minister, the Chief Secretary to the Treasury has said that, realistically, because the programme is being put back, the money that we had anticipated being spent in this spending round is unlikely to be spent, and it cannot be spent in the time scale originally intended. If Longannet had gone ahead, it could have started to be drawn down this year and certainly into 2013. With new projects coming through, that will happen at the very end of this spending round and primarily into the next one. However, there is a clear commitment, and the £1 billion remains.

In response to the point made by the hon. Member for Banff and Buchan, good progress is also being made on finding additional sources of funding to bring into the process. Discussion is taking place with sovereign wealth funds overseas to trap their investment in this area. We are seeing a greater appetite from industrial investors to put in their own funding, instead of the Government providing funding. Projects involving enhanced oil recovery might also make a significant financial contribution.

Tom Greatrex: I am grateful to the Minister for his partial answer to one of my questions. May I press him on how much of that £1 billion will be available during the current CSR period and the current Parliament if demand is present and whether the projects are advanced enough for the money to be available to spend? How much of that £1 billion could be spent on CCS during this time, or has it been subsumed into a wider infrastructure pot?

Charles Hendry: Certainly, the funding that was assumed would be spent on CCS in the middle of this spending round and that will not now be spent and cannot be spent is being made available to other infrastructure projects. I am sure that the hon. Gentleman welcomes

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that, because it will help to drive forward our economic recovery. Until we have seen the scale and type of the projects and the extent to which they will co-operate and collaborate, we cannot set out exactly what the funding will be. Some of them will access the new entrant reserve fund; some will be more dependent on a predictable income stream through the contracts for difference; and some will need more up-front funding. Until we know exactly what the projects will be, we cannot say exactly how they need to be financed. I understand why the hon. Gentleman wants clarity now, but until we understand the nature of the front-runner projects, we cannot say with certainty exactly how that funding should come forward.

Tom Greatrex: I am grateful to the Minister for his response. How much money would be available if those projects were advanced to a stage where they would be considered to be appropriate for that funding? How much of that funding would be available for projects in this comprehensive spending review period if they were in that position? Would the figure be up to £500 million, £200 million or £300 million? How much would be available from that £1 billion during this CSR period if the projects had the applicable framework for that money?

Charles Hendry: The hon. Gentleman is tempting me to go out of line, but I am reluctant to pursue that approach. Until we understand the nature of the projects, I cannot explain to him how they will be funded. They will all have a different funding requirement for longer-term running costs or up-front capital, which may come from one or two sources. We want to make it clear that we want projects to try to find other investors to enter the process. There will inevitably be a process of discovery and of trying to find out exactly what the best projects are, but we have made it absolutely clear that that £1 billion remains available. The hon. Gentleman understands that the time scale has been moved backwards because of the decision on Longannet, but the £1 billion remains ring-fenced.

Dr Whiteford: I appreciate the Minister's candour in outlining how he is trying to find alternative sources of funding, but Shell and Scottish and Southern Energy hope to begin a full-scale field study of the Peterhead project in the second half of this year. They have made it clear that they will need funding in years 2 and 3, and it would be helpful if the Minister indicated what the funding prospects were for that time scale.

Charles Hendry: The hon. Lady makes exactly the point that I am keen to focus on: there are investors who might want to come into the project—international investors who want to be part of the early development of this game-changing technology because of its global potential. We are encouraging them to try to talk to other potential investors, and we are looking at a range of projects. We are discussing one that could come through the new competition, but it is not the only one. Other projects are viable and would have greater scope for accessing the new entrant reserve fund, but until we have seen their scope and the collaboration and co-operation between different industrial players, it is hard to come to a final decision. However, I give the hon. Lady the commitment that we have a real desire to take the competition forward much more rapidly than the previous competition, and during the next few weeks, we will provide the details.

We had an industry day in December, and during the next month we will have a further industry day to provide more detail on how the competition will work. We will then open up the competition shortly afterwards with a tight time scale to encourage firms to come back. Having lost time, we want to make up for that and to see the full range of projects that can benefit from funding and find out how we can take that forward.

Gordon Banks: While the Minister is winding up, will he respond to a point that I made that fits in with the one that he is making about new competition and external funding? What discussions has he had with the Scottish Government about them playing a financial role? Did the First Minister approach the Minister's Department on Longannet or any future projects?

Charles Hendry: I was not remotely close to winding up until I took so many interventions, but I must now do so swiftly. On Longannet, the Scottish Government did not offer funding but, to be fair, they were not asked for funding. The project is seen to be a UK energy policy with funding from the UK Exchequer. We had constructive discussions with the Scottish Government ahead of it. I think that we all share the disappointment at the reaction, and perhaps the lesson is not to announce decisions just before the Scottish National party's annual conference. We must try to move forward in a way that takes such issues out of politics. The gain from what can be achieved to the United Kingdom is so substantial that we all need to pull together and to work together.

The hon. Gentleman said that the decision on Longannet did not send out the right message, but it was the only decision we could have made, because at the end of the day there was so much difference between what it was going to cost and what was available. We want to take the technology forward, but we cannot do so at any price. Even if funding had been available from the Scottish Government, it could not have made up the difference to enable the project to go ahead.

Much more work needs to be done, and we are taking it forward urgently on regulatory reform, storage, the supply chain, transport and storage infrastructure and planning. In England, we can certainly make it clear through national policy statements and the infrastructure planning commission that that process will work much more smoothly and without the time delays about which people have expressed concern, although planning in Scotland is a matter for the Scottish Government. More details will come forward very shortly—

Mr George Howarth (in the Chair): Order.

Music Venues (Disabled Access)

12.30 pm

Matthew Hancock (West Suffolk) (Con): It is a pleasure to serve under your chairmanship, Mr Howarth, and I am glad that the Minister responsible for culture, communications and creative industries is able to attend the debate.

I am delighted to have secured this debate on access to live music for deaf and disabled people both because it is an issue close to my heart, and because I believe that there is a strong and principled business case for the proposals that I shall set out. I can personally attest to the importance of this subject, and to the difference that equal access for disabled people makes to those passionate about music. My involvement in this issue is due to a close friend of mine, Dom Pardey, who had a love of life and of music but who without warning at the age of 28 suffered a serious stroke and is now confined to a wheelchair. Although life became more difficult, his passion for music has never wavered. It is what keeps him going, and I regularly travel with him and take him to music venues, and comedy or theatre productions, along with a wide network of friends. He is one representative of many people across the country whose passion for music is their reason to live. From that experience, I know what a difference good access can make. It is not only about ramps but about toilet facilities and hearing loops, and just one step can make the difference between an inspirational event watched by somebody in a wheelchair, and a sad disappointment.

I am proud to be patron of the charity Attitude is Everything, which exists to improve the accessibility of music venues for deaf and disabled people. It began as an idea by Suzanne Ball 20 years ago. She was attending a major festival and almost died in the crowd because of the pressure on the disabled listeners who were sitting at the front. Attitude is Everything became a pilot project in September 2000 in direct response to deaf and disabled people's calls for fair treatment at music venues, clubs and festivals, and it set out to address the music industry's apparent lack of awareness about its responsibilities, obligations and duties under disability discrimination legislation.

Last December, Attitude is Everything released a report entitled "State of Access", which I launched in Portcullis house. It is the first piece of systematic research into access to live music for disabled people, and it examines approaches to access across the industry. The report was compiled by 100 deaf and disabled music lovers who acted as mystery shoppers, just as a food critic may act in a restaurant. Those people are directly affected by issues of access, and their extensive input made the report valuable and powerful. I would like publicly to thank all the mystery shoppers who took part in that exercise and volunteered their time to ensure that the report was so strong. The report examines views and approaches to access across the live music industry, promotes best practice, and suggests solutions to improve the current situation. I thoroughly recommend it to any hon. Members who are interested in improving access for disabled people.

The research carried out by Attitude is Everything led to two key recommendations. The first looks at the business case for taking action while the second argues for the enforcement of existing legislation, and I shall address those points in turn. There is a strong commercial argument for venues to adopt the Attitude is Everything charter of best practice. Charter venues and festivals, such as the Latitude festival in Suffolk which I highly recommend, and local authorities that follow the charter's principles, such as Kent county council and Tower Hamlets, vouch for the scheme and demonstrate the benefits of good access. Some of the most powerful advocates for improving access are venues and festivals that have already improved access and seen the improvement in business that followed.

Dame Anne Begg (Aberdeen South) (Lab): I would not have been aware of this debate had I not attended the previous discussion, and I am pleased that the hon. Gentleman has raised the issue because it is obviously something close to my heart. He is absolutely right about the business case. Disabled people do not go to music festivals or the theatre on their own; they go with friends or in groups of friends, and by barring one member of the group, venues are often effectively barring everybody in it. That is why there is a good economic argument for making all venues fully wheelchair accessible.

Matthew Hancock: I am extremely grateful for that intervention; the hon. Lady has taken a page of my speech by expressing that point more strongly than I could have done. The annual spending power of deaf and disabled customers is estimated at around £80 billion per year—a serious market. For example, estimates suggest that hearing loss currently affects more than 10 million people in the UK. That is about one in six of the population, and rising.

Mike Weatherley (Hove) (Con): I congratulate my hon. Friend on securing this worthy debate. He mentions larger music festivals, but does he agree that it is equally important to have the access that he describes in some of the smaller venues? Is he aware of my "Rock the House" competition that asks people to nominate their favourite live venue in their constituencies? We would encourage all disadvantaged groups to nominate their favourite pub and so on.

Matthew Hancock: I certainly join my hon. Friend in encouraging disabled groups and disabled music lovers—whether in a group or not—to nominate their favourite live venue, and I hope that his work in live music will take into account improved access for disabled people. Given his interest in this area, I am grateful that he is attending the debate today.

About 2 million people in the UK use hearing aids, which is a huge potential customer base. In a major survey by Action on Hearing Loss, more than two fifths of respondents said that they would go out of their way to visit a shop or service with a hearing loop, and almost three quarters said that deaf-aware staff would make them more likely to use a particular service. The potential is there, but all too often loops are not turned on or do not function properly. It is critical to be both aware of the issue and to put the technology in place.

I do not want to pretend that things are not moving in the right direction. For example, over the past few years, the number of disabled people attending the Reading and Leeds festivals increased by 25% each

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year, demonstrating the impact of Attitude is Everything and other such groups. I also pay tribute to Festival Republic which is involved in and enthusiastic about the agenda.

We have all seen the photographs that were taken at the Glastonbury festival last summer in the pouring rain, of people signing on stage in order to ensure that deaf people at the festival could fully participate in what was going on. Once Glastonbury began to improve its access facilities, attendance by disabled customers increased threefold in three years.

The Sage Gateshead, a venue that reached the gold level of the charter, said about its experience:

"We have numerous customers who specifically visit our venue, regularly...because of its excellent access. Many of them bring their families who appreciate a stress free outing."

I know very well what a stress-free outing feels like and how different it is from an outing that is not stress free.

The success that I have described can be repeated at large and small venues throughout the industry. The truth is that doing that does not have to be very expensive. The report shows that progress can be made in three key areas. First, the cheapest and easiest adjustment is simply providing information—on how people can access the venue, where they can park and so on. Detailed information provided in advance on the internet can allow people to make informed decisions and know before they arrive at a venue exactly how they can get the most out of their visit.

The second adjustment, which is also cheap, is to improve staff understanding. It is highlighted again and again that simply understanding the needs of people who are in wheelchairs or have other disabilities improves access and the experience of disabled people and their friends and families who go with them to the venues.

The third issue is small changes to infrastructure—for instance, step-free access and the induction loops that I have already talked about. Those often simple measures are at the heart of the charter of best practice. I encourage all venues to sign up to the charter. I hope that the charter will become the minimum standard for access and that in time it can be expanded to include things such as standards for disabled toilets and disabled hotel rooms.

The report's second recommendation is a call for enforcement of existing legislation. Businesses have an obligation under law to make reasonable adjustments to help disabled people to access their goods, facilities and services. Unfortunately, access requirements are seldom enforced and often only under the heavy hand of the courts when a disabled person sues a venue under disability discrimination legislation. I am here today to call not for new legislation, but merely for the enforcement of what is already in place.

Supportive music venues, key festival organisers, local authorities and licensing officers should work together, with organisations such as Attitude is Everything, to make access normally a condition for entertainment licences. Scotland made such a change last October, and I hope that the Minister can consider it today. It would be an ideal tool with which to ensure that, incrementally, we move towards improved standards throughout the industry, with all the benefits that that could bring.

The list of venues and festivals that support the proposals is long and growing. Make no mistake: there has been progress. I am delighted to say that the festival at which Suzanne nearly died 20 years ago now has a regular clientele of more than 700 disabled customers, an accessible campsite and viewing platforms at nearly all the stages. That is good progress, but there is much more to do. We should do all that we reasonably can to ensure that being disabled does not mean that one has to live a life less rich, less varied or less full. Music is a central part of our shared cultural experience, and nothing compares to the live performance. For some, it is a lifeline. It should, wherever this is realistically possible, be accessible to all.

If adopted, the proposals would make an immense difference to the lives of deaf and disabled music lovers. It is vital that we move towards a situation in which good disabled access is the norm, not the exception. Such a goal is morally right, legally required already and commercially viable. This debate is a small step on the road to achieving that ambition. I look forward very much to hearing what the Minister has to say in response.

12.44 pm

The Parliamentary Under-Secretary of State for Culture, Olympics, Media and Sport (Mr Edward Vaizey): It is a great honour to appear under your chairmanship, Mr Howarth. I congratulate my hon. Friend the Member for West Suffolk (Matthew Hancock) on calling for the debate. He has already asked me about this issue during questions in the House. This cause has no better advocate than him, because he comes to it with a genuine passion, having been engaged with the issue for many years before he came into the House. He also brings his considerable skills to bear to highlight the campaign.

I thank the hon. Members who have made a contribution to the debate. My hon. Friend the Member for Hove (Mike Weatherley) has made the cause of music one of his passions in the House and has advanced it very strongly, particularly with his highly successful "Rock the House" campaign. I noted his intervention calling for disabled users to nominate their favourite live venue. Perhaps I may make a suggestion in return—that the judging criteria for the best live venue could include accessibility criteria, because that would certainly increase awareness of this important aspect of the debate.

The hon. Member for Aberdeen South (Dame Anne Begg), who needs no introduction because she has long been campaigning on these important issues, made a crucial point that we must all take on board: if we bar one disabled user, we in effect bar many more—those who would be accompanying the disabled user to the venue. What has emerged from the debate is that, if a venue provides the appropriate facilities for disabled users, it will end up having no more loyal customers than those people, who come not only to enjoy the music, but to enjoy as hassle-free an experience as possible. All those points apply. One may say that providing those facilities is simply the right thing to do, but one may also appeal to self-interest. Music venues up and down the country should realise that making themselves more accessible is not a burden to be complied with, but a huge opportunity to gain a loyal following of fans.

My hon. Friend the Member for West Suffolk talked about the charity Attitude is Everything. The charity is lucky to have such a formidable advocate, and he is

lucky to have found a stand-out charity such as Attitude is Everything, which has campaigned for so long on these important issues. As he rightly pointed out, the campaign began in September 2000, and Attitude is Everything now has a comprehensive programme of activity. That includes the charter of best practice, which has already been mentioned and involves working with live venues, festivals, clubs and promoters. It includes Club Attitude, showcasing deaf, disabled and non-disabled musicians in fully accessible venues. It includes the disabled people stewarding programme, which involves helping festivals and other events to include deaf and disabled people as stewards; running information tents; and creating employment for deaf and disabled people. It includes disability equality training, access audits and consultancy; that involves creating practice strategies for venues to tackle access issues. Of course, it also includes advocacy and campaigning.

I am delighted that Attitude is Everything receives funding via the Arts Council and, through its new national portfolio funding programme, has received an increase to some £170,000 a year from this financial year, starting in April. We enjoy—well, we do not enjoy but when it comes to media attention we often focus on cuts and restrictions in funding or perhaps some of the more high-profile organisations that the Arts Council funds. It is worth the media focusing on the fact that the Arts Council supports important organisations such as Attitude is Everything. The reason I describe it as a stand-out charity is that its attitude is entirely right. It is an attitude of encouragement, rather than lambasting, and of providing solutions, rather than simply highlighting problems.

Dame Anne Begg: Perhaps the worst venues that exist are not music venues, but comedy venues. They always seem to be in the basement for some reason. The Minister might want to encourage comedy venues in particular to take up the issue with regard to their accessibility, because they are still absolutely appalling.

Mr Vaizey: At the end of the debate, I was going to sum up some of the things I have learned in preparing for it. One thing I would like to take from the debate is the opportunity not only to meet properly with Attitude is Everything, but, potentially, to expand the Department's work on leading the debate on these issues.

At the moment, the Department has an e-inclusion accessibility forum, which I have been closely involved with since I became a Minister. The forum works with charities to ensure that people in a digital age have access to the internet and to phone technology, but I have been struck by the lack of engagement from business and telecoms companies, which is unbelievably frustrating. In that respect, we would, for example, like to have video technology that enables deaf people to use sign language, and I have told all the telecoms operators, "Please come to me with a cost-effective solution," but they have not done that. Eventually, of course, I will have to regulate through Ofcom to make them do that, but it would be so much simpler if they came to me and did it.

Similarly, if we bring a group of disabled charities together, we can work to move this agenda forward in respect of not only live music venues, but comedy clubs, as the hon. Lady said. During the debate, I was also thinking about cinemas. We have just published a film policy review consultation, which does not cover disability access issues, but when the Government respond to it in the middle of March, we will address those issues.

My hon. Friend the Member for West Suffolk gave a comprehensive summary of Attitude is Everything's report. He mentioned the Sage Gateshead, an organisation I have got to know extremely well over the years. It is fantastically well led by Anthony Sargent, and it is a great example of a national venue with strong support from a local authority. It is excellent in a whole range of different areas, but I am delighted that it is also a stand-out venue in terms of providing access to people with disabilities. Likewise, it was good to read that KOKO, a commercial venue, has picked up silver status for accessibility. The vast majority of UK music venues are privately run, and it is important to build a good dialogue with such organisations.

I join everyone in the Chamber in congratulating Attitude is Everything on an excellent report. Now, of course, comes the difficult bit, when I have to respond to my hon. Friend's call for action. He mentioned the recommendations at the end of the report, and specifically the one that disabled access become a condition of music venues receiving entertainment licences. As he will be aware, we have recently consulted on our plans to deregulate licensing, and that process, which is very much in line with the coalition Government's aim of reducing red tape and, therefore, costs, aims to make it much easier for venues of all shapes and sizes to put on live music, theatre and dance events.

The good thing about deregulation is that more venues will provide live music, but the unintended consequence might be that more venues are under scrutiny for not providing access for people with disabilities. The measures will cover community halls, amateur theatres, circuses and other arts organisations that have found the licensing requirements expensive and restrictive. Of course, other venues, such as schools and village halls, which are used regularly by fundraisers, face the same requirements as commercial operators. Low-risk community events have been cancelled because of the onerous burden of licensing requirements, and we are seeking to put an end to that so that schools and community groups in the third sector have more opportunities to put on such events. That will increase revenues and the money raised for good causes.

Obviously, we start with the attitude that we are not keen to place further conditions on venues that wish to put on events. I do not simply want to say no to my hon. Friend, so let me put the Government's perspective. As he said, access issues are covered by different legislation. The Equality Act 2010 ensures that organisations that provide goods, facilities and services are required to make a "reasonable adjustment" where a disabled person would be at a "substantial disadvantage" to a person who is not disabled in carrying out a particular job or—this is relevant to today's debate—in accessing a particular service.

The idea of a "reasonable adjustment" is important, because it makes the judgment dependent on the size of the organisation and the resources available to it. I am delighted that a number of venues offer services such as multiple hearing induction loop systems, but I am not

[Mr Vaizey]

sure everyone would agree that it is fair that every venue of every kind, including small village halls, should have to offer such things as a matter of course.

We are confident that the 2010 Act, which subsumed the Disability Discrimination Act 1995, provides reasonable assurance for disabled attendees. My hon. Friend mentioned the change made in Scotland, and I will take away a commitment to examine it and to write to the Under-Secretary of State for Culture, Olympics, Media and Sport, my hon. Friend the Member for Weston-super-Mare (John Penrose), who is responsible for licensing issues, to ask whether it should be a factor in his deliberations.

Matthew Hancock: Nobody would want venues to close or not to offer music as a result of our pursuing this agenda. However, the question is not whether the law is in place, which it is, as my hon. Friend says, but whether there is enforcement. Nobody wants the law to exist, but to be unenforced. In Scotland, the live question is about the improved enforcement of whatever legislation is in place. In that respect, the reasonableness test is important. If we have a rule, however, it is important that we make sure it is enforced.

Mr Vaizey: I certainly agree with my hon. Friend. Again, to a certain extent, and perhaps unintentionally, he issues a challenge to different parts of the Government to join up. It is worth my taking away the tone of the debate and communicating with the Under-Secretary of State for Work and Pensions, my hon. Friend the Member for Basingstoke (Maria Miller), who has responsibility for the disabled, about the measures the Government are taking on enforcement across the board under the 2010 Act. If we have a meeting with a group of disabled charities to discuss what is happening on the ground, we can certainly talk about enforcement.

To return to my point about Attitude is Everything being a stand-out charity, one of the good things it does, besides providing encouragement, is to provide training so that people do not have an excuse for not understanding what the law requires of them. That would be one subject for discussion in relation to how we increase training opportunities for venues and how we work with the music industry and some of the big players to ensure that adequate training programmes are in place for their staff and that there is an adequate understanding at all levels of the requirements of the 2010 Act.

Earlier, I picked up on the point made by the hon. Member for Aberdeen South about the economic self-interest of making changes to attract more customers and, more importantly, more loyal customers. The music industry faces radical changes in a digital age, and it is having to change its business model for selling music, but it is also having to look at live music as a potentially important income stream for the future. That is an important point.

Time is running out, and I want to end by saying that the debate is very timely, because this is the year of the Olympics and, more importantly, the Paralympics. I can assure my hon. Friend the Member for West Suffolk that the London 2012 festival, the cultural festival that will run alongside the Olympics, takes these issues very seriously. It is working with all its partners to ensure that disability access is at the forefront of their minds. Some redevelopment will be undertaken on the south bank, and although its primary purpose is to redevelop the site, disability access will be an additional benefit. We also have a number of programmes in the cultural Olympiad. For example, Film Nation: Shorts actively targets disabled film makers.

This has been a good and useful debate, and I hope I can take forward some of the issues that have been raised.

Parking (Westminster)

12.59 pm

Ms Karen Buck (Westminster North) (Lab): I am grateful for the opportunity to raise in Parliament the issue of Westminster council's parking controls, and particularly the most recent round of proposals, which have generated more controversy than almost any local government matter in recent years. Although I am conscious that much of what is proposed and under discussion relates to the west end—it is good to see the hon. Member for Cities of London and Westminster (Mark Field) here today—I make no apology for introducing the debate. I have no wish to step on the hon. Gentleman's toes, but Westminster council's parking policies have an impact far wider than that specific local dimension.

There are two reasons for that: one—and this is one of the themes on which I look forward to the Minister's response—is that the issue of parking income, and how it is generated and distributed, has a wider context in relation to the agenda of revenue-raising and local taxation. Therefore, everyone in the local authority of the London borough of Westminster has a legitimate interest in how that income is generated and used. Indeed, the wider issues of congestion, displacement and road management are for everyone in the community. Secondly, what happens to the economy of central London is a legitimate matter of concern for us all, since millions of Londoners are affected in their capacity as employees, workers, shoppers, business men and women, worshippers and people who enjoy the cultural and recreational opportunities that central London offers. It is in that context that the Westminster parking proposals have generated such an exceptional level of media interest, particularly, but by no means exclusively, in the *Evening Standard*. The *Evening Standard* has, I think, grasped what the majority party on Westminster council seems not to have grasped—that Westminster's financial problems cannot be solved by any means to hand, without a proper recognition of the impact on the wider economy of London.

To put my cards on the table, I entirely accept that parking income is a legitimate source of revenue-raising for local government, particularly given the severe constraints on the raising of income by other means, and the critical importance of maintaining services for residents. However, the law is clear on the issue, and the law, common sense and political calculation all demand honesty and transparency in the process, as well as that the charges should be fair and proportionate. There has not been adequate honesty and transparency about Westminster council's financial pressures, and councillors have been found out. They have not told it straight to local people, but instead have given the impression that they have discovered the philosopher's stone—a way to provide comprehensive, quality services without an adequate tax base.

Mark Field (Cities of London and Westminster) (Con): The hon. Lady recognises, I think, the fact that there were considerable legal constraints on the making of the proposed—now shelved—parking changes on the grounds of the finances that were required. There was a big campaign to make a case, which I think was legitimate, about congestion; but no one was fooled about an important element of the proposals being driven by the desire to raise more money in times of financial constraint. Would the hon. Lady prefer a much more transparent approach, not just in Westminster but across local government, which would allow an open debate about precisely those problems—the issue of going down the route of increased parking costs, which would affect everyone in the vicinity, or potential cuts in adult and child services, which are the sorts of things she and I know all too well affect many providers in the City of Westminster today?

Ms Buck: There are several issues there, and I shall return to one or two of them, but, yes, we need a broader debate about the role of charging income, property taxation and other forms of income generation by local government. There is no question but that charging has a role to play; but, as the Minister will no doubt confirm, there are particular constraints on the way parking income can be used for revenue generation. The hon. Member for Cities of London and Westminster has confirmed what the Secretary of State for Transport said earlier about the suspicion that the charges are being used for revenue generation, rather than parking and traffic management. That is not what parking revenue is supposed to be about.

Mark Field: I think that a perfectly legitimate case was made for traffic management, and concerns about congestion. However, had there not been the big financial constraints, there might not have been such a desire to proceed so quickly. The trouble was, the legislation is so prescriptive that to make the case on financial grounds would have killed it off at the outset. Therefore, much more emphasis was placed on the issue of congestion.

Ms Buck: The hon. Gentleman is almost making my argument for me. We should have a debate about charging income, which could include the proper role of parking income in a local authority's tax base. That would be fine; but within the present legal constraints we are where we are, and however we approach the matter we need a mature, transparent and honest debate about services and income. That has been spectacularly missing. As I have said, the political fallout from what has happened has been catastrophic for Westminster council. Whether or not the current leader has, as I believe, been the first victim of that miscalculation—it remains to be seen whether he will be the last—a great deal of collateral damage has none the less been done to the council.

To recap on the facts, Westminster council's plans to ban free evening and Sunday parking on single yellow lines in the west end for more than 8,400 cars have provoked an unprecedented coalition of opposition. They have united the Churches and casinos and the trade unions and big business. They have brought together local residents, visitors to the west end, and those who earn their living there, and united all the major political parties. Indeed, Westminster council has achieved the near impossible—it has found the one thing that Boris Johnson, Brian Paddick and Ken Livingstone all agree on.

The council said that the new charges and the single yellow line parking ban are designed to increase the turnover of cars parking in the area, and to make it easier for those driving into the heart of London to find

[Ms Buck]

a parking space; but everyone knows that the real reason is to raise the expected £7 million a year that the charges will raise for a council whose cash reserves have fallen by £60 million in the past two years, as Government cuts have bitten and reduced its room for manoeuvre. As Boris Johnson, the Mayor of London, has said:

"It's completely mad what Westminster are doing. It will be damaging to business. I'm afraid, as far as I understand the matter, there is a financial issue here for Westminster. In other words, they need the revenue."

As I have mentioned, the Secretary of State for Transport has said—and I should be interested to have the Minister's clarification of this—

"I'm sure when Westminster thought about what they were going to do with those parking charges they had a sense they might be able to put some extra money in their coffers that they could probably use on public services".

As I understand that quotation, the Transport Secretary clearly accepts that the local authority was acting at least at the borders, and possibly beyond the borders, of legality. Does the Minister agree with the Mayor of London and the Transport Secretary about Westminster's true motives, and, in view of that, what is the Department's line on how to respond, and on what constraints there should be on the proper use of parking revenue?

Mark Field: I confess I look forward to the fulsome praise that the hon. Lady will give to the words of the Mayor of London in the next 107 days, in the run-up to the mayoral election. I do not think there is any suggestion of illegality. Surely the primary purpose of the changes was related to traffic management and congestion, but the hon. Lady and the Transport Secretary are right to suggest that there was also a secondary purpose. That would not make the proposals illegal or illegitimate, but the public at large were not going to be fooled, and they felt that the wool was being pulled over their eyes when the latter priority was denied entirely.

Ms Buck: I will let that pass; those are the hon. Gentleman's views.

In addition to the question about the proper role of parking income as a source of revenue, the issue that has probably generated the greatest controversy is the risk that the parking charges would present to the central London economy. The independent City forecaster, the Centre for Economics and Business Research, has estimated that the parking charges would cost the west end £800 million a year and threaten more than 5,000 jobs. It is suggested that 9% of the £9.2 billion central London night-time and Sunday economy could disappear as customers and workers are put off by the new charges. The research found that the biggest losses of turnover would be felt by restaurants, bars, pubs and cafes at £330 million, followed by theatres, cinemas, casinos and other places of entertainment at £314 million, and then retailers at £145 million. Recent research by the Society of London Theatre revealed that 16% of London theatregoers used cars to visit the theatre. For those over 55, it was more than 20%, with the reasons being more about access and security than the availability of public transport. Some 90% of London's theatre ticket revenue was generated within the borough of Westminster. Westminster's proposals would still, although delayed, continue to put at risk some 14.5% of total theatre income, or approximately £72 million a year.

Baroness Valentine, the chief executive of the business group London First, said:

"At a time when the retail, leisure and hospitality sectors are all suffering from the protracted slowdown and reduced consumer confidence and spending, introducing measures that will further discourage customers from coming into central London seems perverse. Westminster's businesses should not be the unwilling guinea pigs in an experiment of which the outcome could be highly damaging to their viability."

Mary Portas, appointed by the Government as a high street adviser, as well as being a local resident, said:

"Parking is just one of the issues that comes up time and time again. It's one of the biggest things that stops flow, and for retailers and restaurants it stops their trade. This is just sheer madness".

Does the Minister agree with the Prime Minister's high street adviser?

There are of course a great many individuals, too, who are low-income employees working in the night-time economy and who have raised concerns about the impact on them at a time when night transport is by no means always available. That raises real concerns about safety, particularly for women travelling at 3 or 4 o'clock in the morning.

In addition to the impact on business, the Minister will know that some 15,000 people attend churches of all denominations on a Sunday in Westminster, many of whose families used to live in the west end. They see it as part of the family tradition to worship in a west end church. Major Ray Brown of the Salvation Army in Oxford street made the case in clear and unambiguous terms. He said that

"Westminster Council have taken a very short-sighted decision to seriously damage hundreds of years of church community action and spiritual activity for the sake of a quick financial gain. For some members and volunteers at The Salvation Army, this means having to face the terrible decision of having to leave the church they have been involved in all their lives".

Does the Minister believe that curtailing the Church's community action is in line with the Prime Minister's big society vision?

These new charges were originally due to be introduced in early December 2011, just weeks before Christmas, but thanks to pressure from west end retailers and Labour councillors, Westminster reluctantly agreed to postpone implementation until January. Meanwhile, west end restaurateurs, retailers, residents and Churches came together to fund legal action against the council. On 14 December, the High Court ordered Westminster council to halt plans to introduce west end parking charges until the judicial review application is heard in March. In a scathing decision, Mr Justice Collins highlighted

"substantial damage to businesses and churches"

and "far too limited" consultation as reasons why the council should not be allowed to introduce the new charges until the judicial review has been heard.

Sensing it was losing the argument, Westminster council leader Colin Barrow promised to listen more in the future and to delay implementation of the new charges until after the 2012 Olympics and the diamond jubilee celebrations. However, just nine days later, at 3.30 pm on 23 December, Councillor Barrow stopped listening and the council announced that it would be axing

1,200 single yellow line parking spaces under the guise of helping the elderly and the disabled cross the road more easily. Of course, everybody supports double yellow lines at dropped kerbs in order to make crossing the road safer for the disabled, the elderly and parents, but Westminster council's proposals go way beyond just protecting dropped kerbs from parked cars. They were used as an excuse to remove 5 miles of safe evening parking from the west end, and were a deliberate attempt to get round the High Court ban on implementing plans to remove more than 8,400 free parking spaces on single yellow lines.

Then, just last week, Westminster council dropped another bombshell when it became clear that figures on the number of parking spaces that would be lost through the council's plans were not accurate. Originally we were given to understand that 1,700 yellow line parking spaces would be lost through the council's proposals, when the real figure was actually more than 8,400. That is a 500% difference. The significance of this monumental blunder is fundamental. The council had no idea how many parking spaces would be lost when it took the decision in August 2011 to ban parking on single yellow lines in the evening and on Sundays. Nor did the council have the correct figures when it consulted residents and businesses before and after the decision.

The leader of the Westminster Labour group, Councillor Paul Dimoldenberg, has written to the council's director of legal services to point out the obvious implications of this admission. He said:

"At the time the Cabinet agreed the proposals in August 2011 Members were not provided with any information on the number of single yellow line parking spaces that would be lost. Cabinet members were therefore unable to give proper consideration to all the material facts. Members were not informed of a figure for lost parking spaces until nearly 2 months later…The Council's further public consultation that ran up until early December 2011 did not provide any figures on the number of single yellow line parking places to be lost and the only figure in the public domain during the consultation period was the incorrect figure of 1,700 provided by the Council".

Whatever happens next—it is hard to see how the proposed charges can survive the leadership contest that Councillor Barrow has unleashed—Westminster's problems are not over. Either the highest profile charging row in recent memory will lead to reinstatement, or a financial crisis looms, to be dealt with by a council weakened in trust and credibility. I look forward to the Minister's response, but I believe that the policy disaster that has befallen Westminster has much wider ramifications for local government finance, and those need to be addressed too.

We all believe that parking and car use in inner cities has to be controlled and managed, but any changes with impacts and ramifications such as these need to be handled on the basis of accurate data, and with effective consultation. The changes need to take with them public trust and confidence. I am sorry to say that Westminster council has lost that trust and confidence, with major implications for the wider economy, and is in danger of undermining this Government's and future Governments' more thoughtful approaches to traffic management and parking. If the council will not act effectively to get itself out of the hole it has dug, I look to the Minister to assure us that the Government will step in.

1.17 pm

The Parliamentary Under-Secretary of State for Transport (Mike Penning): It is a pleasure to serve under your chairmanship this afternoon, Mr Howarth. I apologise that the Minister responsible for local government is not here. I am stepping in on his behalf. He is in Newcastle, although I know that he would have liked to have been at this debate. Some of the questions asked by the hon. Member for Westminster North (Ms Buck) may need to be dealt with by letter.

As the hon. Lady knows as a former Under-Secretary of State for Transport, it would be wrong and improper for me to get drawn into the decisions of the judicial review. I stress that some of the comments she made seemed to pre-empt what the judges at the judicial review will look into. I am pleased to see my hon. Friend the Member for Cities of London and Westminster (Mark Field) in his place.

Very unusually for me, I am going to read. I normally know my brief well enough not to need to do so.

The Government are fully aware of the strength of feeling surrounding the proposed changes by Westminster council. It is difficult not to be, given what is in the local press and on the local news. The strong views expressed, and the concerns raised by residents and businesses in Westminster, show just how important issues such as this are, not just for Westminster, but across the country as a whole. It is essential that local authorities do all they can to get the balance right and to develop and maintain an effective parking and traffic management strategy that serves the interests of all stakeholders in as fair and equitable a way as possible.

There will be a little repetition, for which I apologise, but it is important that the Government set out their position. Among other things, Westminster has to strive to understand the needs of industry, shops, restaurants, clubs, theatres and Churches, as the hon. Lady alluded to, as well as the needs of the employees, customers and residents in the area affected.

Mark Field: It is also worth stressing, and this point perhaps relates to something that the hon. Lady said, that the west end and the centre of London seem to belong to more than just one or two constituencies. It is fair to say that relatively few of my constituents—my residential constituents—wrote to me about this scheme and of those who did a number were in favour of it. However, it is also the case that a lot of businesses, particularly independent businesses, are implacably opposed to the scheme. There are specific issues in Westminster because of the nature of our local authority, which means that this scheme has become a higher-profile issue and aspects of it would not necessarily be transferrable to other local authorities throughout the country; I disagree with the hon. Lady that they would be transferrable.

Mike Penning: My hon. Friend raises an important point. The character of this part of town—a town in which I was born and brought up—is unique in the country. However, I will come on to the issues relating to parking and parking spaces, and revenues that are surplus to the cost of creating those parking spaces. They are important issues, and they were the issues that the hon. Lady was referring to.

[Mike Penning]

Many people choose to travel by public transport, but many others usually use their car or van. Also, parking spaces are clearly limited, both on and off the street, and there is considerable demand for road space in one of the busiest areas not only in London but in the country. Without doubt, congestion—one of the areas covered in my portfolio—is a real problem. I can understand the competing concerns that the local authority in Westminster has to address. There are very difficult issues that need to be addressed when developing appropriate parking strategies in such circumstances.

The hon. Lady referred to the fact that Mary Portas produced a report for the Government on high streets, recommending that local areas should implement free controlled parking schemes in their town centres wherever possible. However, I am not certain that such a scheme would work brilliantly within Westminster, for obvious reasons.

The Portas review points out that the high street is in serious threat of decline. No matter where we look around the country we can see that, and Westminster is no exception. Town centre shopping is affected by the internet and out-of-town stores. The number of shops in the country as a whole has gone down by 25,000 during the past 10 years, so it is not something that has just suddenly happened, and Opposition parties cannot blame everything on the current Government; that decline has been going on for some considerable time. The case that Mary Portas makes in her report is that a range of measures—not just parking measures—should be used to encourage people to use secondary and main high streets, and it is an absolutely important case.

However, as the hon. Lady said, the report by Mary Portas indicates the crucial role of parking in making an area vibrant, and I think that that is the biggest point that we have heard today. The Government agree with the report by Mary Portas on that. I am not saying whether the Government fully agree with the comments that the hon. Lady said that Mary Portas had made, because I have not actually seen those comments, but I am sure that Mary Portas is more than capable of standing up for her own comments. So we are encouraging local authorities to look closely at how parking provision and charges work.

The Government understand that these issues have a massive effect. So, in January 2011, we amended the national planning guidance to remove Whitehall restrictions that imposed maximum numbers of parking places in new residential developments; to change a policy that inhibited competition between council areas, so that one parking charge would be imposed and another would not, which related to in and out of town centre developments; to introduce a policy that parking enforcement should be proportionate, and I stress proportionate; to remove the policy that encouraged councils to set car parking charges to discourage the use of cars; and to increase support for electric car power-charging infrastructure in parking areas.

The Government's draft national planning policy framework follows through on those changes by removing the restrictions that impose maximum numbers of parking spaces in new non-residential developments. That will also relieve pressure on on-street parking.

As we know, Westminster council has now postponed its plans until beyond the Olympics and the jubilee celebrations. The Government welcome that decision, but we will wait—I think everyone will wait—for the judicial review to reach its own conclusions. It is up to Westminster council—if we believe in localism, we must leave it to the council—to come forward and make its decisions, based on the guidance that it has.

We appreciate Westminster council keeping Department for Transport Ministers fully informed, and council representatives have had several meetings and conversations with Ministers; I myself had a phone conversation yesterday with Westminster's chief whip, Mr Caplan, about this debate. I understand that Westminster council has agreed to use the intervening period to discuss its policy and to continue to listen to the concerns of residents, visitors and businesses, who I am sure also want to find solutions to the ongoing pressures that the hon. Lady alluded to in her speech. The key is achieving a sustainable economy for the residents and the businesses together, and that is something that we all want to achieve.

It would perhaps be useful if I provided some context and said where Westminster is in the legal framework; the hon. Lady referred to the legal framework. The Department issues operational guidance to local authorities on parking policy and enforcement. That guidance was revised in November 2010, and it supports and complements the statutory guidance published under section 87 of the Traffic Management Act 2004, to which local authorities must have regard—I stress the word "must".

Local authorities have long been responsible for managing all on-street parking and some off-street parking, and their relevant powers were first laid out in the Road Traffic Regulation Act 1984. Section 16 of the Traffic Management Act 2004 imposes an explicit duty on local authorities when they are carrying out these functions to manage their network so as to reduce congestion and disruption, and to appoint a traffic manager.

Following the provisions for authorities to manage parking that are laid out in the Road Traffic Regulation Act 1984, the Road Traffic Act 1991 significantly changed the way that on-street parking restrictions are enforced. Before the 1991 Act, the police and traffic wardens were responsible for enforcement, and income from fixed penalty notices specifically went to the Chancellor of the Exchequer. However, the police found that the impact of parking enforcement on the resources of a number of forces supported the idea that another agency should take responsibility for such enforcement.

The potential road safety and congestion implications of a lack of enforcement were unacceptable, so the 1991 Act made it mandatory for London boroughs and optional for other local authorities to take on the civil enforcement of non-endorsable parking contraventions; in other words, parking fines where a driver does not receive points on their licence. In London, boroughs were responsible for enforcement of such fines and some other authorities also enforced such fines. The legal framework for enforcement authorities is now contained in part 6 of the Traffic Management Act 2004.

Now you know, Mr Howarth, why I am reading it and not trying to do this from memory.

Mr George Howarth (in the Chair): Order. I think that the hon. Gentleman was referring to his notes.

Mike Penning: Correct, Mr Howarth. And noted.

The legislation clearly places the responsibility for managing and enforcing parking on local authorities, and it is a mandatory requirement in London, including in Westminster.

The Department for Transport supports local authorities by issuing both statutory and operational guidance on parking policy and enforcement. The guidance makes it clear that each local authority should have a clear idea of what its parking policy is and what it intends to achieve by having that policy. Then the local authority needs to make traffic regulation orders to put parking arrangements in place, displaying appropriate traffic signs to show the public what the restrictions mean.

The parking strategy needs to take account of planning policies and transport powers; the needs of the many and various road users, businesses and residents in the area; the appropriate scale and type of provision that it will undertake; the balance between short and long-term provision; and the level of charges, which must be formally addressed.

On the issue of charges, I should add that both the statutory and operational guidance make it clear that parking charges are a tool to manage the demand for parking and should not be used as a revenue-raising measure. I will return to that point in a few moments if I can. The Department also recommends that authorities should consult the public on parking policies as they formulate or appraise them, before coming to a decision.

What I think the hon. Member for Westminster North was asking about earlier, and I think that my hon. Friend the Member for Cities of London and Westminster alluded to it too, is what happens if a council tries to reduce congestion and address the parking issues—as set out in the guidance—and there is a surplus. In my constituency, there is a surplus. We have looked very carefully at how we fix the charges, and there were lots of discussions about whether there should be a charge of £1, £1.50 or £1.75, and there were all the arguments about the change and so on. The figure ended up being, say, £2, and then the surplus comes.

I do not think that there is any doubt that Westminster council knew—I think that it has been very open about it—that there would be a surplus and that that surplus would be used. However, it is quite specifically set out in the regulations and the guidance how that money—the surplus—should be used within the community. So I think what the Secretary of State for Transport was alluding to in her comments was that there was a knowledge that there would be a surplus, but the main reason Westminster council was introducing this scheme was to reduce congestion and to ensure that it is possible for the local community, businesses and people—

Mr George Howarth (in the Chair): Order. We must now move on to the next debate.

Noise Reduction (M54)

1.30 pm

Gavin Williamson (South Staffordshire) (Con): It is a pleasure to serve under your chairmanship, Mr Howarth. I compliment the Under-Secretary of State for Transport, my hon. Friend the Member for Hemel Hempstead (Mike Penning), on his management of the previous debate, and I hope that he feels a lot more comfortable with this one, which is far more firmly within his brief. It is a great privilege to have secured this debate in Westminster Hall, and I thank my hon. Friend the Member for Harrogate and Knaresborough (Andrew Jones), who inspired me to request it, by pointing out what the Government could do to reduce the negative impact of road noise in many constituencies, including mine.

Often, when we talk about new developments such as motorways and railways, people who object to them are accused of being nimbys—not in my back yard—and of not wanting the developments because they are not concerned about the national interest. However, the fact is that they are often concerned because they are not fully confident that the Government, of whatever political colour, will do all that they can to mitigate the effects of noise from roads, railways or other major infrastructure projects.

Jeremy Lefroy (Stafford) (Con): I congratulate my hon. Friend and neighbour on securing this debate. I completely agree with him, and I re-emphasise how much the Government can do. In my constituency, the resurfacing four to five years ago of the M6 between junctions 12 and 13 greatly improved the lives of people living round and about who were plagued by the noise from the old surface.

Gavin Williamson: My hon. Friend is absolutely correct. It is not that the Government are unable to act or incapable of doing anything to improve the lives of people who live close or adjacent to motorways; they can have an enormous effect and make enormous improvements in people's lives.

One of the key reasons for requesting this debate was the fact that road noise had once again been highlighted in my constituency, on the back of some very good and positive news: the announcement by Jaguar Land Rover that it is to build a major new engine factory on the i54 South Staffordshire industrial estate. That is fantastic news, because the new factory will bring many jobs and great prosperity, not just to my constituency, but to my hon. Friend's constituency of Stafford and many others right across the west midlands. However, to secure the development, our local authorities—South Staffordshire district council and Staffordshire county council, working in conjunction with Wolverhampton city council—had to put money forward for a direct link between the i54 site and the M54.

Any such major construction project will have an effect on local residents, and in this case the residents of Coven Heath village adjacent to the motorway are particularly affected. Residents of not just Coven Heath but neighbouring villages up and down the M54 have raised many concerns about the impact a Jaguar Land Rover plant will have, with increased traffic movement

[Gavin Williamson]

from heavy goods vehicles and from the many people who will visit the site every day. That has focused many people's minds on the inadequacies of the M54 and on the failure of many Governments in the past to take action to reduce the impact of noise on local communities.

I am not sure whether hon. Members have had the pleasure of driving along the M54 regularly, but perhaps I can tell them a bit about it. The Minister will probably correct me if I make a mistake, but I believe that the motorway was one of the first to use the construction method of concrete slabs. That was a revolutionary idea, and it became incredibly fashionable in motorway construction throughout the country, but unfortunately, as with many things that were fashionable in the 1970s, with the benefit of hindsight, the idea was not such a good one. Concrete construction causes excessive road noise, much more than the tarmacadam system used on many motorways, and the problem has been recognised often, including by the 1994 royal commission and the 1997 addition to that.

Road noise has a very detrimental effect on many people's lives, and the Government have recognised both that and the need to reduce its impact on people living near motorways, as outlined in the *Hansard* list back in, I think, 2000 or 2001. It is my firm belief that the M54 meets the criteria of that list because the noise coming off it causes sufficient disturbance to the many communities not just in South Staffordshire but in Wolverhampton and across the county boundary into Shropshire.

When people leave the M6 and turn on to the M54, they immediately drive on a tarmacadam road until junction 2. Unfortunately, it is not a low-noise-impact surface, and as soon as they pass junction 2, there is a concrete slab construction all the way to Telford. We all know that rather than absorbing noise, concrete sends it out, causing local residents great concern.

I appreciate that finances are tight, and I do not imagine that the Minister has a bottomless pit of money—if he does, I am keen to hear about it—but I urge him to look at the issues on the M54, not just in connection with the Jaguar Land Rover development on the i54 site, which, I emphasise, all my constituents welcome. We do not stand in the way of progress in South Staffordshire; we embrace it and make it happen, as we have been doing with the development on the i54. However, we look to the Government to reduce the impact of such developments, and I ask the Minister to look very closely at junction 2 and the flyover that will be constructed from the i54 to the M54 and to reassure my constituents that the Government will do all they can to reduce the impact of noise, light and other pollution, including by ensuring that sound barriers are constructed.

Jeremy Lefroy: My hon. Friend is being generous in giving way again. Does he agree that when the M6 managed motorway scheme that the Government recently announced, for which I am extremely grateful—I thank the Minister for his part in that—is being progressed, improving sound insulation, in particular between junctions 13 and 14, as the M6 passes right through the middle of Stafford, could be looked at, for the benefit of my residents who live right up against the motorway?

Gavin Williamson: My hon. Friend makes a valid point. Where motorways cut through urban areas or pass close to communities, the Government should be duty bound to do everything within their power to reduce the impact. If they wish to cultivate a positive image of infrastructure improvements—that they need not have a detrimental effect on people's lives—they should take every step to ensure that the effects are minimised at every level. I must confess that I would like the barriers, which my hon. Friend mentioned, to be in place from the start of the M6 all the way past Manchester, but I am unsure whether the Minister will give so generously of sound barriers. Local communities often demand them, and the Government should always do everything within their power to ensure that local communities get them. I particularly ask the Minister to ensure that such measures are put in place for junction 2 and the flyover, along with noise-reducing or whisper tarmac.

James Wharton (Stockton South) (Con): I congratulate my hon. Friend on securing this debate, which is so important to his constituents. It is typical of his approach that, having been at the forefront of the campaign to deliver the Jaguar Land Rover investment for his constituency, with colleagues including my hon. Friend the Member for Stafford (Jeremy Lefroy), he now follows through to ensure that it happens in a way that benefits his constituents most effectively. In the Department for Transport's forward spending plan, £310 million was taken out of resource funding for road resurfacing and management, but £150 million is being invested in capital spending. Is that capital spending not exactly the sort of spending that my hon. Friend the Member for South Staffordshire (Gavin Williamson) is calling for to improve the road and deliver a better quality of life for the constituency he so ably represents?

Gavin Williamson: I thank my hon. Friend for his kind comments. He makes a valid point; there is a danger that the Department for Transport wants to spend all its money in the Chilterns, and we do not want that. We want to ensure that it goes to the west midlands and further afield. I hope that the Minister will assure us that some money will be spent on the M54 and many other such schemes in the west midlands.

I ask that the Minister assures my constituents that everything will be done to protect residents during the construction phase of the flyover, not only in Coven Heath, but much further afield, so that the impact of the Jaguar Land Rover plant and the i54 is minimised at all costs. Will he urgently look at the whole motorway, from the M6 to junction 2 onwards, to assure my constituents that low-noise, low-impact whisper tarmac will be used when the road surface is replaced, to ensure that they do not have to hear the roar of the M54? Will he ensure that we do not have the travesty of a concrete slab motorway surface all the way from junction 2 to Telford? Will it be properly surfaced with low-noise, low-impact tarmac, thus enhancing and improving the lives of many people, not only in my constituency, but along the length of the M54?

I hope that the Minister can assure me that the use of silent or low-noise tarmac along the whole motorway will be considered in the maintenance schedule. When will that be planned over the next few years? Those assurances will give my constituents hope that the Government will act to improve their quality of life.

1.43 pm

The Parliamentary Under-Secretary of State for Transport (Mike Penning): My hon. Friend the Member for South Staffordshire (Gavin Williamson) will be pleased to know that roads are part of my portfolio, so I should be able to handle the debate slightly better than the previous one. I congratulate him on securing the debate and giving me the first opportunity to congratulate him on his work in getting Jaguar Land Rover to invest in his constituency. It is the sort of investment we desperately need.

With investment comes infrastructure issues, particularly in my Department. I am sure that all my hon. Friend's constituents welcome the investment and the new jobs, but, interestingly, with that often comes enhancement—we could call that 106s, "planning bribes" or whatever we call them these days. As he knows better than me, there will be a lot of work on junction 2, which I will come on to in a moment. We have already moved in the debate from the whole length of the M6 to the Chilterns, so it is a shame that we have only another 15 minutes or so.

I assure my hon. Friends that investment in High Speed 2 has no effect on the money secured from the Treasury for road improvement and infrastructure. I had about £1.4 billion to spend on capital road infrastructure over the three years of the spending round and was then given just over £1 billion in the autumn statement, which is about £2.5 billion, give or take, over three years. We would not have dreamed of such investment when we entered coalition Government and inherited the financial mess 18 months ago, but the money has been found for good reasons—the biggest of which is that without infrastructure, we cannot have growth, and without growth we cannot get out of the financial mess we inherited.

My hon. Friend has done his homework correctly. There have been fads in construction over the years, and I say "fads", because one minute something is the greatest piece of design technology we have ever seen and needs to be protected, and the next minute it is out of fashion and out of the way. There are two sides to concrete road construction. The upside is that such roads last for a very long time and do not wear out like flexible coverings—that is a technical term for tarmac. The bad news is that the concrete part of the M54 is unlikely to need resurfacing for 10 years. We will keep a close eye on it and ensure that, if it starts to deteriorate more quickly than that, we will address it immediately.

The downside to concrete is noise, and I freely admit that. It often depends on the type of tyre used on the vehicle. We have so far—touch wood—not had the worst winter, and my stockpiles of salt are doing remarkably well at the moment, but this time last year we had had a severe winter already. People—lorry drivers and hauliers—are starting to think about switching to the tyres that they use at other times of the year. That has a massive effect on noise. If people address the type of tyre they need for the environment they are working in, we will have fewer breakdowns and blockages, so it is a positive step. There have been fantastic developments in the tyre industry. In the old days, there would be a town tyre and a town and country tyre. There are much better developments now, but noise is an issue. No matter where I go in this great country of ours, road noise is an issue in every constituency, including mine.

Gavin Williamson: I would like clarification of the Minister's remarks about when concrete-topped surfaces need repair. Will he confirm that when the road needs repair, it will not be repaired with more concrete but with a low-noise surface?

Mike Penning: There is a difference between repair and replacement. I cannot guarantee that that will be the case when the road is repaired—in other words, when potholes and so on are fixed—but what is needed to repair it will be done. I will come on to replacement in a moment.

We do not have a huge amount of concrete road, but a lot of local authority roads are concrete, and for maintenance, the longevity of the investment is an issue. My hon. Friend is right about the rest of the tarmac on the M54; low-noise surfacing, which reduces noise by about 50%, is not on that part of the motorway. I have never heard it called "whisper" tarmac, but developing that would be fantastic for everybody. The i54 development, with which he was involved, will lead to significant changes to junction 2 and the slip road, which I know the local authority has planned carefully. We will work with it to ensure that the project works for the local community and Jaguar Land Rover. I can categorically say that all the new parts of it will be low-noise.

The Department for Environment, Food and Rural Affairs was told by the European Commission—not many good things have come out of the Commission over the past few years, but this is one good thing—that it should do a noise survey of the whole country, including the road network. I am sorry to say to my hon. Friend that this particular part of the M54 does not fit the criteria for being excessively noisy. That offers no comfort or solace to residents in his constituency, but think about how bad the problem is on the road network in other parts of the country. Interestingly, the A449 going north from junction 2 meets the criteria and will be resurfaced imminently with low-noise tarmac. It already needs replacing, but it is deemed to have a significant problem with noise.

That is nearly all the bad news. The tarmac on the M54 where the concrete stops is also in good condition. We do not predict that we will need to replace the tarmac on the M54 for approximately four years. Although there will be new tarmac on the new roads—new, low-noise tarmac on the A449—it will be a considerable time before the M54 concrete-tarmac is resurfaced. However, I assure my hon. Friend that, when that is done, low-noise tarmac will be used on the concrete as well as on the existing tarmac.

The solution might seem simple—as I have asked my officials, surely we can lay the tarmac on the concrete, because it provides a strong sub-base—but that is not the case. It will have to be broken up and created as a sub-base, and the tarmac will then have to be re-laid in great depth on top, because the product is flexible, not rigid. Wear can cause so many problems.

My hon. Friend has alluded to the debate that is taking place, rightly, in all our constituencies throughout the country. I hold up my hand—it is happening in my constituency, where I have had exactly the same discussions. I have to look at the money available for maintenance and for capital projects that will keep the country going, and I must spend that as wisely as possible. I do not have the bottomless pit of money to which my hon.

[Mike Penning]

Friend has alluded, and in many ways I am pleased that I do not, because it gives me the opportunity to study carefully where our money is being spent. That makes me popular in certain parts of the country. I am pleased that the M6 widening project will be popular. It will give us capacity, and road safety will be significantly enhanced.

As an ex-fireman, I was very sceptical about managed motorways, because they were taking away the hard shoulders. Then I thought back to my time in service. Where did I see the major, serious fatalities on a motorway? It was on the hard shoulder. One of the first incidents that I ever went to involved an ice cream van parked on the hard shoulder. It is not the most robust of vehicles, because of the chassis, engine and fibreglass on top. It had broken down, pulled over to the hard shoulder and been hit by a lorry. The driver thought he was safe. Fortunately, he had left the vehicle to walk to an SOS phone. The vehicle resembled a skateboard—we would never have known that it was an ice cream van. It had been completely wiped out. If people's vehicles break down on the motorway, they should pull over to the hard shoulder and then get out and on to the other side of the barriers, which is where they will be safest. Modern technology on the motorways means that assistance should get to them quickly. SOS phones are available and mobile phones have enhanced safety enormously on our roads.

Managed motorways have rescue areas and sanctuaries that allow us to sweat the existing assets. We do not have to go through planning all over again, because the motorway has already been built and the hard shoulder is up to road standard. It is interesting that, while hard shoulders were built to road standard all those years ago, we are only starting to use them now. The M42 pilot project showed that it works and road safety on such roads has been enhanced. We can get more vehicles on and it is much easier to control the flow of congestion. If we look at the M42, we see that there are far fewer traffic jams and stationary traffic. I would much rather see traffic running at 40 or 50 mph than it being stationary before rushing off at 70 mph and having to stop again later.

I cannot promise to put up sound barriers all along the motorway. I have made a note—and my officials are present—to look specifically at junctions 13 and 14, as my hon. Friend has asked me to do, and I will write to him about that.

Gavin Williamson: I thank my hon. Friend the Minister for being so generous in giving way again. I welcome his reassurance that low-noise, low-impact tar will be used across the whole stretch of the M54 when it is resurfaced. He has pointed out that the road between the M6 and junction 2 already has a tarmacadam, or flexible, surface. Can he give my constituents and me an idea of when the resurfacing will realistically happen? Will it happen in my lifetime or in my daughter's lifetime? My top priority as a constituency Member of Parliament—I am being selfish; there are no Members from Shropshire present—would be from junction 2 to Telford and on to junction 3. When could that happen?

Mike Penning: It will be during my hon. Friend's time as a constituency MP for his area—he is going to be there for a long time, because he is such a hard-working constituency MP. The time scale for the expected replacement of the tarmacadam part is four years from now. It may wear out slightly earlier than that, or—I am crossing my fingers—it may last a little longer. The longer it lasts, the more money we will have in the pot. I fully understand that that would be good news for my hon. Friend, and it would be good news for me regarding the budget. The faster it is replaced, the faster the low-noise tarmac will come in.

Sound screens will also be used and some are already up. They help, but they are not, under any circumstances, the answer to the problem. Mounding or bunding is another option—I know that that has been done in my hon. Friend's constituency. Trees help, but they have to be placed at such depth. They have to be at about 10-plus metres before they can provide any tangible benefits. They look pretty, but if people stand on the other side of them—as I have done on many an occasion—they will see that they do not really help. We will put in sound-proofing, particularly wood-panel sound-proofing, where we can, but it is not feasible to do so across the motorway network and the A-road network.

We are looking at specific areas. On areas where we are doing new works in particular—this is why I touched on the M6—it is built into the project that we look at the issue. I am sure that that has happened with junctions 13 and 14, but please do not think that that is not also true of the A15, A16 and A17—we probably have done it. It is a massive advantage that, if we can sweat the assets, it leaves us some money elsewhere to do the sort of advanced projects to which my hon. Friend has alluded.

On the concept itself, the i54 project is so important not just to my hon. Friend's constituency—I fully understand that—but to the country as a whole. It sends a message that this country is open for trading and investment. I was lucky to be on the Thames estuary when DP World announced a £1.5 billion investment in the newest port—it is huge—in the United Kingdom, just at the time when people were saying how difficult the situation was. Yes, the situation is difficult, but there are people who are willing to invest, and that will lock straight into the M25 and give us an opportunity.

Even though I have not said that this issue will be resolved imminently, works will be done soon in relation not only to the local authority and the i54 development, but to the A449. When the roads wear out, we will resurface them with low-noise tarmac. The estimated time is four years for the tarmac and 10 years for the concrete. I stress that the concrete is a major job and not something that can be done overnight, because the expense will be huge.

Question put and agreed to.

1.59 pm

Sitting adjourned.

Westminster Hall

Wednesday 18 January 2012

[MR JAMES GRAY *in the Chair*]

Port of Southampton

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mike Penning.)*

9.30 am

Mr John Denham (Southampton, Itchen) (Lab): I am grateful to Mr Speaker for granting this debate quickly, which, as will become clear, is appropriate. There are pressing issues facing the future of the port of Southampton that have to be resolved literally in the next few months if the full future of the port is to be secured. I am grateful for the strong and cross-party support here today from hon. Members from across Hampshire and the Isle of Wight.

May I say briefly that there is another issue about the future of the port of Southampton, which relates to investment in the cruise terminal and an application by Liverpool for a cruise terminal? That is not the subject of my remarks today. The arguments are well rehearsed, we believe in fair competition and the Minister is due to make an announcement on this in the fairly near future.

I want to concentrate on a different issue that is of equal importance to the future of Southampton and, in this case, critical to the future of the container terminal there. The debate has huge local, but also national, significance. Frankly, it presents a rare opportunity in the current economic climate, because a private sector company, Associated British Ports, is offering—indeed, is desperate—to invest £150 million of purely private money in infrastructure in the coming year. That investment is not just important for Southampton; it is vital for the infrastructure of UK plc. A study for Marine South East estimated that the contribution of the port of Southampton to the UK's economy was £1.75 billion a year. Southampton is the fourth largest port in the UK, and the container terminal, operated by DP World, employs approximately 1,000 people. It is estimated that four jobs in the wider local economy are dependent on each of those jobs in the terminal.

Currently, most investment in UK infrastructure depends on public money for pump-priming, partnership and initial investment. However, ABP's planned investment in Southampton is entirely private—it does not depend at all on matching investment. That is such good news that one might wonder why we need to have a debate in Westminster Hall. The problem is that over several years the project has suffered from entirely avoidable delay—mainly, it has to be said, at the hands of Government agencies, and partly due to the action of rival port operators who have exploited mistakes made by the Government machine to mount a legal challenge that is not in the public interest, but is purely to pursue their own commercial, competitive advantage.

Hon. Members from Hampshire and the Isle of Wight have come together today to urge the Minister to do everything he can, with his colleagues across Government, to ensure that there are no further delays. I am grateful for the briefing I have received from ABP, DP World and Unite, the union. All have exactly the same position on what needs to be done. Even in the days since requesting the debate, there has been some progress, but the project is so time-critical that any further slips, delays or mishaps—anyone taking their eye off the ball—could do immense damage.

Let me set the scene and the history. As I have said, the port is immensely successful. Productivity is high and Southampton is in the right geographical location for China and other south and east Asian trade, but the container business is changing. Some 13 years ago, the typical vessel was 4,000 TEUs—twenty-foot equivalent unit, which is the standard measure. Recently commissioned ships already in service are typically 9,000 to 10,000 TEUs, but in the next two years, ships as large as 16,000 TEUs will come into service. This is happening right across the industry with all the major carriers, and it certainly applies to Southampton's major customers: the CMA CGM organisation and the G6, an alliance of Hapag Lloyd, OOCL, NYK, APL, MOL and Hyundai Merchant Marine. They have come together precisely to optimise the deployment of new and larger vessels.

Southampton can accommodate the larger, super-sized container ships if—but only if—it can reconstruct its existing container berths, known as 201 and 202, and carry out more extensive dredging both nearer the berth and the wider channel. That is what gives rise to the £150 million investment at the heart of the debate. Those ships are coming into service now and in the next two years, so the investment is time-critical. The risk is obvious—if there is any further delay and Southampton cannot offer its customers the capacity they want, business will be lost.

Steve Brine (Winchester) (Con): I congratulate the right hon. Gentleman on securing the debate, which is as important to my constituents as it is to his and to those of other hon. Members here today. He rightly says that any further delay could be fatal. Will he confirm that the September 2012 to March 2013 "piling window", as it is known, is the critical date window that we are tied to here? Any further delay would result in an additional 12-month delay in doing the work that is needed out in the channel.

Mr Denham: The hon. Gentleman is absolutely right, and I will explain the reason why that September to March period is so critical. For entirely legitimate environmental reasons, that activity cannot take place all year round, so we could miss that deadline. As I will say in a moment, contracts need to be let ahead of September if work is going to be started in September—that is critical. If it is not done by next year, the port clearly will be unable to offer the capacity it would like to for the latter part of 2012 and, in particular, 2013.

This debate should not be necessary. The need for investment was identified in a scoping study submitted by ABP to the Marine and Fisheries Agency, the predecessor of today's Marine Management Organisation, in 2007—in what most people regard as perfectly good time to get the necessary approvals and to get the work under way. In January 2008, following consultation with various bodies, the MMO issued a formal scoping opinion that advised ABP of the scope and content of the required environmental impact assessment. That

[Mr Denham]

point is crucial, because not for the last time in this process, ABP was advised and directed to take a particular course of action, and it complied fully. ABP submitted its application on 15 December 2008. The applications were advertised using a form of words directed by the MMO. In February 2009, issues were raised in consultation by Natural England, the Environment Agency and the Royal Society for the Protection of Birds and, I understand, successfully resolved. However, in December 2009, nearly two years after the MMO's original scoping opinion, the MMO then decided that the public notice it had supplied was incorrectly worded. ABP was asked to place further public notices, using replacement wording supplied by the MMO. That mistake delayed the process by a full 10 months. It is worth noting that Hutchison Ports, the operators of Felixstowe, did not raise any objections during the original consultation. However, following the re-advertisement and during the second consultation, it then did, arguing that the original environmental impact assessment, which was drawn up to the MMO's specification, had not considered operational impact issues.

Dr Thérèse Coffey (Suffolk Coastal) (Con): Will the right hon. Gentleman explain why Network Rail and the Highways Agency were not included in the original consultation?

Mr Denham: The point about this procedure is twofold. Throughout this process, ABP took guidance from the MMO as to what requirements it needed to fulfil. It was reasonable for ABP to do that. It is because it was not well advised—indeed, it was advised to do other things—that we have ended up in this position.

In April 2010, following the re-advertisement and the intervention from Hutchison, which has no local interest at all in this matter—it is purely a commercial rival issue—and having raised those issues, the chief executive of the MMO wrote to ABP, stating:

> "Please be assured that the MMO is working pro-actively with ABP to resolve these cases swiftly."

However, it was not until February 2011, more than three years after the original application, that the MMO finally issued consent, in good time to get this work under way.

Mr Dave Watts (St Helens North) (Lab): Obviously, hon. Members from Merseyside oppose the proposed blocking of the cruise terminal at Liverpool. However, on this issue we fully support my right hon. Friend. Does he agree that this scheme demonstrates how out of date our planning process is? Is not the economy suffering because we cannot make quick decisions? I hope the Minister will consider speeding the whole process up, so that we can get such schemes introduced much more quickly.

Mr Denham: I want to concentrate on getting this scheme approved. However, when the dust has settled it will be clear that the scope for getting things wrong and for commercial challenges by people who have no interest in environmental issues in the Southampton area is so great that it can lead to huge delays. If our collective attempts to get investment in the UK infrastructure are bogged down in legal challenges between rival commercial companies, enormous damage will be done to the chances of getting infrastructure investment under way and rebuilding the economy. There has to be a point where every major company is prepared to consider what is in the UK national interest, not a narrow view of what is in their own local commercial interest.

Mr George Howarth (Knowsley) (Lab): May I thank my right hon. Friend for the reasonable way he has dealt with the conflict between Southampton and Liverpool? He is aware, though, that there are still problems between Liverpool city council and the local authority in Southampton. Liverpool city council has asked for talks with Southampton to see whether common ground can be found. That is a good idea. Does he agree that those local authorities should get together and find common ground, so that it is not either/or, but possibly both?

Mr Denham: We are perfectly clear that Liverpool is utterly entitled to have a cruise terminal. The question is whether, given that the one operating successfully in Southampton has been developed entirely with private sector finance, the one in Liverpool should not operate according to the same principles of fair competition. We are more than happy to have that discussion, but I do not want to spend my time this morning getting too far into that issue, because we are in the last critical weeks that will determine whether this investment in Southampton takes place in the autumn. I want to focus on that.

Jack Dromey (Birmingham, Erdington) (Lab): I declare an interest. As deputy general secretary of Unite, I worked with ABP, the local authority and the work force, who are members of Unite, in seeking to drive this project forward. The common ground is the need to rebalance and grow our economy, although we may disagree on how to do that.

Does my right hon. Friend agree that infrastructure is key if we are to grow the economy? This development is in the national interest and the interests of growing the economy. Any further delay will damage not only the interests of Southampton but the prospects of economic recovery.

Mr Denham: My hon. Friend is right. The involvement of Felixstowe's owners in this matter gives a UK angle to the competition, but the blunt truth is that there is no reason to believe that the container work lost from Southampton will end up anywhere in the UK. If the effect is that ships go to Rotterdam and their cargo is broken down for trans-shipment, there is a huge loss to the entire UK economy. That is why a view of what is in the interests of the whole UK is crucial. We can have local fights, but we will look pretty ridiculous if we end up damaging the whole UK economy and sending the business elsewhere.

Mr Bernard Jenkin (Harwich and North Essex) (Con): I congratulate the right hon. Gentleman on obtaining this debate. I support the burden of his remarks. The planning system has become obstructive, although it is understandable that Hutchison Ports, for example, should insist that rules that are being made to apply to it and

stifling its investment programme should be applied evenly throughout the industry. That was the burden of its complaint.

Does the right hon. Gentleman agree—and support the Government on this point—that we need to renegotiate the habitats directive, because that is being used, as much as anything, to stymie and bog down important infrastructure projects for bogus, spurious technical and legal reasons, rather than genuine environmental reasons?

Mr Denham: I have some sympathy with the hon. Gentleman's final point. If the objections were coming from Natural England, the Environment Agency, the RSPB and local environment organisations in Hampshire—even if they were using the habitats directive—I would understand their legitimacy. What people in Southampton cannot understand is that, essentially, technical and legal mistakes are being exploited to damage investment.

The hon. Gentleman properly represents his part of the country and his constituents. I hope that he will take back the message that Hutchinson's may feel that it has made its point, but to continue to pursue this matter now would do enormous damage to the UK economy and to the port of Southampton.

Mr Jenkin: But the planning rules are the problem.

Mr Denham: Planning rules may be a problem, but they do not always necessarily need to be exploited to damage an investment.

In 2011, three years after the original application, the MMO issued consent. Two months later, Hutchison commenced judicial review proceedings in the High Court, alleging that the environmental impact assessment was defective. In June 2011, without discussion with ABP, the MMO, having listened to that objection, withdrew its consent. The critical issue is, as I understand it, that the judicial review application by Hutchison did not raise any issues that had not previously been raised in 2010 and that the MMO had every opportunity to consider. What actually happened is that the MMO had the chance to consider those objections and decided not to act on them, or decided that they did not have a substantial basis in fact, and issued the consent, but then, faced with a High Court challenge, changed its mind. It is another case where the MMO's handing of the matter has badly let down everybody involved in the port of Southampton.

Since then, there has been further delay. ABP responded to further requests for analysis that it said it would deliver by 30 September 2011. Just three days before that date, the MMO asked ABP to produce additional information, which caused a further delay. Then—without going through all the twists and turns—there was a further lengthy delay before the MMO finally commenced the consultation on 11 January 2012.

I have gone over the history not to rake up old issues but to stress, for the benefit of the Minister with responsibility for shipping and ports, that the port of Southampton has been on the receiving end of particularly poor treatment by Government agencies, not just under this Government, but in the past. As a result, this major investment has yet to start. I will not hold the Minister or his predecessor, who will be contributing from the Opposition Front Bench, personally responsible for these errors. We know that these things happen deep in the depths of agencies far away, in normal circumstances, from ministerial decisions, but there are times when Ministers need to act.

I wrote to the Secretary of State for Environment, Food and Rural Affairs about this matter in August and again in September. I have to say that, although I am sure that the letters that I received were legally correct, there was no sense of urgency coming from the Department for Environment, Food and Rural Affairs on how the MMO would handle this matter. I was told that, since June, the MMO had maintained a single point of contact with ABP in Southampton and that, in July, it assigned a case team to the application. However, as I have said, that did not prevent further and later requests from the MMO to ABP for additional analysis and information that further delayed the project.

I wrote to the Prime Minister on 24 November. I hope that I am not unduly pompous as an ex-Minister, but there was a time when former Secretaries of State and Privy Counsellors who wrote to Prime Ministers would get a reply a from the Prime Minister or a Secretary of State. I am afraid that it took two months for the Prime Minister to get a junior Minister in DEFRA to send me back pretty much the same letter that I had got from the Secretary of State. There is no sense that the Downing street machine has grasped that it could play a role in making sure that this happens.

We are now at a critical point. The consultation is under way again—that is important—but the consultation period is six weeks. Objections must then be properly considered, because that is the legal process. The MMO must therefore consider objectively any issue raised so that, should it give approval, its decision cannot be challenged. The potential for delay is significant, and it is essential for the MMO to have sufficient resources and access to sufficient expertise to give the decision proper consideration. That is what I am asking the Minister to take away today and to take to his colleagues in DEFRA. We cannot have a situation in which either the MMO does not have the resources or expertise to consider the consultation responses properly or mistakes are made, thus laying the process open to further legal challenge.

I ask the Minister to consider one other factor. It is not for him or the House to constrain the courts, but in truth the move for judicial review came not from a statutory or voluntary environmental organisation, nor from any group that might be affected by the environmental impact of the port, but from a commercial operator, and it seems pretty clear that the motives were to inflict commercial damage on a rival. That raises a massive challenge to the Government's plans to encourage infrastructure investment in the UK.

Steve Rotheram (Liverpool, Walton) (Lab): Before my right hon. Friend concludes, I absolutely support the aim expressed in his earlier comments that we should work in the greater interest of the whole UK economy. Will he therefore agree to broker a meeting between the Southampton and Liverpool authorities, so that we can put to bed the animosity between the two and move forward on what is in the interest of both Liverpool and the UK, to grow the economy in Merseyside?

Mr Denham: Our two great port cities have a lot in common, in history and in the future, and I hope that Southampton and Liverpool will work together in the

[Mr Denham]

future. The Minister's decision on the issue is imminent, and we will all want to consider it carefully. We are very consistent in Southampton: we are not saying that Liverpool should not have a cruise terminal; we are merely saying that competition should be fair and on the same basis of cruise terminal capacity development. We are not out to say, "You have no right to have cruise ships. You have no right to have this industry," but the competition must be fair, so if meetings will improve understanding, they would be helpful.

The vast majority of ports in this country are privately operated, but they all depend on either the actions of Government agencies or, sometimes, public investment. The Government's infrastructure plan, for example, included proposals to improve roads that would help, among other things, to support the port of Felixstowe. We will get into a terrible position, however, if urgent investment in the UK economy routinely becomes the matter of legal challenge by different commercial companies picking up technicalities and details of arguments rather than pursuing the UK national interest. I do not expect the Minister to say much or, probably, if he is prudent, anything at all on that point—I am sure that he will be measured—but Ministers need to have that serious discussion with major companies in this country, to ensure that the interests of UK plc always come first, particularly in such difficult times.

9.54 am

Mr Andrew Turner (Isle of Wight) (Con): Many islanders from my constituency take great pride in being physically separate from the mainland UK, but most recognise the value of its proximity. An acknowledgement of that fact is that so many of my constituents, especially in the north of the island, rely on the mainland for work and it explains why I am taking an interest in the debate.

I offer my support to the right hon. Member for Southampton, Itchen (Mr Denham) to get the Southampton port project moving. As already explained, the aggressive legal action by another port authority has slowed the port expansion proposal to a halt, instead requiring a further review of environmental issues, and that is simply not acceptable. How can a project that requires no public funding, while providing growth, education in the form of apprenticeships, and employment, be held up? That is exactly the sort of behaviour that the Government abhor, yet it is happening.

The sustainable growth of the port of Southampton is incredibly important for the city of Southampton and its hinterland, and the Isle of Wight falls within that remit. Indeed, the success of Southampton is due in no small part to the fact that the island is where it is, protecting the Solent. The island also provides a 360° catchment area, whereas most ports normally have a 180° area because of the very fact of being on the coast. Also, on the island, we rely heavily on the connection to Southampton, which I am told is the third largest port in the country, while East Cowes is the seventh busiest port in the UK. Given the proximity of one port to the other, with the ferry link provided by Red Funnel, East Cowes's success is very much reliant on that of Southampton.

Tourism is also crucial to the success of the whole region. Hampshire and the Isle of Wight have such a fabulous coastline that it draws huge numbers of people every year. The proposed redevelopment of Mayflower park would play a key role in improving the attraction for tourism. The importance of tourism is reflected by Southampton being the leading destination in the UK for cruise ships, and that business is critical to the local and indeed the wider economy. As the home of famous British shipping companies such as P&O, Cunard and Carnival, Southampton is also part of the heritage of our seafaring nation.

The financial argument for the development proceeding, however, is the most important one. With our country in the doldrums economically for the moment, infrastructure improvements such as the Southampton one have gained increasing importance. What makes it even more surprising that the plan has not moved forward is that no public money is involved in the expansion. The Government have been keen on such infrastructure developments, and we only have to cite High Speed 2 to see that, the difference being that one will cost public money and Southampton port will cost nothing.

What of the island? More than 2,000 people commute from Cowes to Southampton every day of the week, so it is perfectly clear that jobs in Southampton lead to more jobs for islanders. In that respect, as I said at the start, I am fully behind the proposals, and I find it incredible that the process has taken so long to date. Once completed, the development will provide employment to countless families, improve the regional economy, reaffirm Southampton as a world-class port with facilities for the largest ships on the ocean and take the port and city of Southampton further into this century with the capacity that they need. I ask the Government to do everything that they can to ensure that the process is expedited with the appropriate permissions as soon as possible. The delay has been too long.

9.58 am

Dr Alan Whitehead (Southampton, Test) (Lab): It is appropriate that we are discussing Southampton port this morning, one day before the House discusses the national ports infrastructure planning document. That document looks, among other things, at the whole question of the strategic role of ports in the UK and at the requirements for ensuring that our ports continue to play such a strategic role in the best way that we can arrange. That is vital.

UK ports provide 95% of our capacity for importing and exporting goods; 95% of imports and exports go through UK ports. So the best possible deployment of UK ports is essential. Historically, Southampton, with Felixstowe and many other UK ports, has always played a major role in providing that national infrastructure, which, as hon. Members have said, is being maintained and improved predominantly on the basis of investment by the companies that run the ports.

Southampton and Felixstowe are particularly important in terms of national strategic planning inasmuch as they are two of the country's leading container ports with a large throughput of containers. They are either side of London, in close proximity to major international shipping routes, and are vitally placed for receipt of

containers, which then go to the rest of the UK. Indeed, the Government have recognised the importance of those strategic ports in terms of what has happened with assistance not to the ports, but to the infrastructure in the recent upgrade of the rail line from Southampton to the midlands, and the proposed upgrade in road access to Felixstowe port.

The Government have recognised the infrastructure considerations for the same reason that ports recognise what they need to do to maintain their competitiveness, not with one another, but as part of the national ports infrastructure. The Southampton rail upgrade is a good example. The international standard now is high-box containers with a height of 9 feet. They cannot be transported efficiently on traditional rail-based container transport, not least because they tend to collide with bridges. To upgrade to international standards and to maintain competitiveness, it is necessary to prevent containers from colliding with bridges on the way north, which is an upgrade to stay in the same place.

It is interesting to reflect on a debate that I obtained 11 or 12 years ago on the future of Southampton port. I speculated about the level of container traffic that would be required in future for UK ports, and the size of container vessels that would come to the port. I talked then about the prospect of vessels of perhaps 8,000 to 10,000 containers coming into the port, and the necessity of considering how we would deal with larger vessels coming in. Now, Southampton's main customers are talking about shortly bringing in not 8,000-container vessels, not 4,000-container vessels, which my right hon. Friend the Member for Southampton, Itchen (Mr Denham) mentioned and which was the standard a few years ago, but 13,000-container vessels. If our ports in general cannot take those vessels, that will be detrimental to Britain's national strategic port planning, not just to Southampton or any other specific port.

As my right hon. Friend said, the issue is not just that container-vessel traffic is distributed around the UK; ports across the channel are able and waiting to take traffic that comes up through the channel to container ports. If those vessels turn right because they cannot turn left to the UK because of their size, containers will be trans-shipped from the continent to the UK at a cost of £100 per container over and above what happens at present when they arrive in the UK. Yes, we would receive our containers, and yes, business might proceed as usual, but at a considerable cost to the UK economy and considerable detriment to our strategic port planning.

It is essential that ports such as Southampton address the issues, and Southampton has done precisely that in its proposed £150 million investment in its container terminal, not a new container terminal, but an upgraded one. Ships already come into the port, and the £150 million is for dredging and upgrading the facilities to ensure that new, larger vessels can come into Southampton and be dealt with.

As my right hon. Friend said, not only has Southampton addressed the issue, but it thought that it had introduced its proposals in good time a few years ago. It is a sad record that the Marine Management Organisation has been less than fully adequate in dealing with the challenge of that proposal. It had to re-issue the consultation; it apparently retreated in the face of judicial review when permission had been given; and more recently it has cast around to see whether it has the power to resist further judicial review and challenge of its inherited powers from the Board of Trade in terms of permissions. Southampton made its proposals not just in good time, but in very good time. However, it is faced with the prospect that, if matters do not now go absolutely right—among other things, the salmon run up the River Test is an issue—it will lose its very last window to put that vital upgrade in place to cope with future business at the port.

Why has that judicial review come forward, and why has the Marine Management Organisation, apparently petrified about the possibility of further judicial review, reviewed its powers accordingly? Is it because local amenity groups in Southampton are up in arms? Is it because the Royal Society for the Protection of Birds is worried about the effect on birds? Is it because English Heritage is worried about the effect on the Solent? Is it because Natural England is worried about the natural environment around Southampton? No. None of those organisations has ever objected to the proposal, and none has ever tried to stop it. All agree that the arrangements are satisfactory. Indeed, I understand that no one in the Southampton area has ever objected to the proposal. Nor should they, because the proposal is to upgrade an existing container terminal to bring it up to date with what is required for the port. That is all.

It is astonishing to hear that an organisation from its vantage point 200 miles away has introduced judicial review of the upgrade's details into the proceedings. It might be said that that organisation wants a level playing field. That appears to be more of a cover than an up-front argument, and it does not require an enormous amount of brainpower to consider what might happen if the port of Southampton were made to go backwards rather than forwards. That is what happens with port management; ports either lose trade or they gain it.

UK trade can be obtained for everyone; it is not a zero-sum game. It is not, however, difficult to conclude that Hutchison Ports believes that delaying or scuppering Southampton's plans to upgrade its facilities, thereby making it unable to accept larger ships, would directly benefit Felixstowe. A judicial review is a fairly small investment—perhaps £100,000—for what is potentially a large gain. I caution, however, that such a move does not necessarily mean that more traffic will go to Felixstowe. It may not end up in the UK at all, and even if some of it did, in terms of UK plc it is equivalent to one car manufacturer seeking to sabotage another's production line in the hope that the public will buy its cars, even if some members of the public then buy imported cars. That is the sort of action we are contemplating, and if that is the motivation behind the judicial review, I deplore the fact that it has been requested.

I have reflected on the importance of the port of Southampton to UK plc, and feel that any attempt to obtain such a review should be resisted. We need the ports of Southampton, Felixstowe, Liverpool, Hull, Portishead, Thamesport and others because, as we will discuss tomorrow, they will play a vital role in planning the UK's future port capacity. The development of the port of Southampton is not only about Southampton but about UK plc making its way and dealing with imports and exports from and to the world. If Southampton fails to get its upgrade as a result of backstairs dealing and, quite frankly, poor service by the body that is

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required to decide on such applications, that will be of detriment not only to Southampton but to the UK as a whole.

Dr Thérèse Coffey: The hon. Gentleman makes the case proudly for Southampton port, as did his right hon. Friend the Member for Southampton, Itchen (Mr Denham). It is a bit of a shame, however, to start impugning commercial decisions. We as parliamentarians want companies to be treated consistently by Government agencies, and in the example we are discussing consistency was not applied. The MMO has ended up paying the costs of the judicial review because it failed to apply the law as it should have done.

Dr Whitehead: There is some force in what hon. Lady says. It is a shame, however, that we have to think about the possible motivations behind those who apply for a judicial review. From my vantage point, the conclusion that the prime motivation behind this judicial review did not involve a concern for level playing fields is almost inescapable. Level playing fields should exist for everybody, but someone feeling that they were not applied in their particular circumstances does not warrant an attempt to upset the playing fields for everybody in the country. I hope that we will hear no more about the judicial review, and that mature consideration of what is best for all, including the ports of Felixstowe, Southampton and the others that I mentioned, will prevail.

I hope that this debate, and the efforts made by many of my colleagues from across the south to assist Southampton's progress with its application, will mean that at this final stage, the MMO ensures that the process proceeds as quickly as possible, and that those involved with UK ports consider what is best for all our ports, rather than individual interests. If that is a result of today's debate, which I congratulate my right hon. Friend the Member for Southampton, Itchen on obtaining, it will have been a prize worth fighting for.

Several hon. Members *rose—*

Mr James Gray (in the Chair): Order. I intend to call the first Front-Bench speaker at 10.40 am. According to my amateur arithmetic, that leaves about five minutes per speaker. Perhaps as a courtesy to one another, hon. Members will try and curtail their remarks as much as possible.

10.15 am

Caroline Dinenage (Gosport) (Con): I congratulate the right hon. Member for Southampton, Itchen (Mr Denham) on securing this debate at such a critical juncture. The strong attendance by MPs from across political parties and the south of England is testimony to the urgency with which we must address the future of Southampton port. It is an issue of great consequence, not only to Southampton, but to the economic future of the region and the success of UK plc.

I do not intend to repeat the difficulties that have plagued attempts by the port of Southampton to develop container capacity since 2007—the right hon. Gentleman has already eloquently outlined the tortuous tale of mishaps and deliberate obstructions. I wish only to underline the immense frustration that it has taken more than four years to reach this unsatisfactory juncture. After more than four years of mistakes by the relevant authorities and meddling by a commercial rival, Associated British Ports still does not have permission to develop capacity at the port. It is right to look to the future, but we must be mindful of past delays that must seem utterly baffling to most people. ABP's commitment to developing the port of Southampton should be a shining example of private investment fuelling economic growth, trade and jobs.

The port of Southampton is one of the region's economic powerhouses, and as the MP for Gosport, which is just down the road, I know how vital it is for my constituents not only because of the employment that it provides, but because one job at the port generates four or five further jobs. The proposed development of capacity for container ships should by now have cemented the port's position in European-Asian trade, secured jobs and bolstered the economic might of the UK. It is vital to stress that all those things can be achieved by private investment of well over £100 million, and there is no need for Government support.

If the MMO fails to act decisively, or if commercial rival Hutchison Ports again seeks legal obstructions, there is a real possibility that the international success of Southampton port will be undermined and up to 2,000 jobs put at risk. I have spoken in the Chamber previously about the pockets of deprivation that are found on the south coast, and we cannot afford to put those jobs at risk.

As the hon. Member for Southampton, Test (Dr Whitehead) pointed out, a new generation of container ships is on the horizon. If Southampton is not allowed to act within the coming months, those ships might well pass it by. I therefore wish to reiterate calls for the MMO to act with speed and precision at the end of the consultation and for Minsters to ensure that it has the resources and expertise to do so. The Government are committed to securing growth and jobs through private investment and we must not—I hate to use this pun—miss the boat in Southampton.

10.19 am

Caroline Nokes (Romsey and Southampton North) (Con): I congratulate my neighbour, the right hon. Member for Southampton, Itchen (Mr Denham), on securing this important debate, and on his determination to make this a cross-party initiative to highlight the issues currently faced by the port of Southampton. As we have heard from my hon. Friend the Member for Gosport (Caroline Dinenage) and the hon. Member for Southampton, Test (Dr Whitehead), the port is a significant driver of economic prosperity in the wider region and the country and provides employment both directly and indirectly. The port of Southampton is the main access and departure point in the UK for a wide variety of products. To give one example from my constituency, Ford makes the much-loved Transit vans at Swaythling, 50% of which leave the country via Southampton port. In addition, given that Southampton is the fourth largest port for the import of cars, it is no surprise that many of the Fords that we see on the roads today have accessed the country via that city.

I welcome the "National Policy Statement for Ports", which has a clear focus on integrated transport networks. We have heard about the importance of altering the rail network, so that larger containers can get through the tunnel underneath Southampton. The rail lines have been lowered and the height of the tunnel raised. However, that £60 million investment might not reach its full potential if those containers cannot access the port of Southampton and end up being transported from the continent. Work is ongoing in my constituency to ensure that the diversionary line is also improved—to raise the road bridges—so that the port can achieve its aim of getting 40% of the freight from the port travelling by rail, which is a far more environmentally sustainable route.

The investment might not achieve its maximum potential, however, if the port of Southampton is not allowed to develop and thrive in a very competitive climate. It is the second busiest deep-water port in the UK and cannot afford to stand still if it is to retain that position, yet as we have heard time and again, it has been forced to tread water because of the inefficiency of the Marine Management Organisation, what I regard as unacceptable objections from rival commercial operators and a delayed process that has seen the likely timetable pushed back and back.

I will not rehearse all the reasons behind the delay, but, as the Member for Romsey and Southampton North, I should like to focus on something that is of particular interest and concern in my constituency. I am also a member of the Select Committee on Environmental Audit. People might therefore expect me to be conscious of the potential environmental impact of the port's proposal to deepen berths and introduce a new piled quay. Concerns have been raised, including about the migratory salmon that pass through Southampton water. However, the environmental impact assessments have been done and redone. They have been enhanced and more information provided. Despite that, there has been stunningly little progress, and there is a very limited time window for the piling of the new quay. Given the potential impact on migratory salmon, that can be done only between mid-September and March, so a scheme first mooted back in 2008 has missed that window time and again. If it does not get the go-ahead very soon, the next window, between September 2012 and March 2013, will also be missed.

I do not dismiss the importance of the salmon—far from it. Two of the pre-eminent chalk rivers in the country—indeed, the world—run through my constituency at various points. There is, I concede, a very small stretch of the River Itchen, but much of the River Test runs the length of my constituency. One of my constituents proudly boasts of having caught a salmon on the Test every year for the past 50 years. Those salmon are few and far between, and I am most anxious that their migration should not be disturbed, but there is no reason why the development should be held up by them. It is notable that the environmental objections have come not from the fishermen on the River Test, but from a rival port operator.

As I said, I will not rehearse all the reasons for the delay. The right hon. Member for Southampton, Itchen took us through a comprehensive timetable. Suffice it to say that the hold-up is putting expansion plans at risk and, in so doing, threatening local jobs, regional economic prosperity and, importantly, private investment in a vital facility. I will not dwell on private investment and the questions about the Liverpool cruise terminal, but it is worth mentioning that in the dealings with the MMO and waiting for permission to be granted, as with the Liverpool cruise terminal, all that Southampton is asking for is a level playing field—I could not work out whether there was an analogy involving water, but I do not think so.

This is a very difficult week for the cruise industry, and our thoughts should be with the victims of the dreadful accident off the coast of Italy. It is important that we get behind that industry. We sincerely hope that it recovers, because it is very important to the port of Southampton. Above all else, we urge the Minister to ensure that, at a time when the cruise industry needs some help and support, we have some clear answers on the question whether public money should be used to subsidise the industry.

10.24 am

Dr Julian Lewis (New Forest East) (Con): This is the first time I have had the pleasure of participating in a Westminster Hall debate under your chairmanship, Mr Gray. I congratulate you on that, just as I congratulate the right hon. Member for Southampton, Itchen (Mr Denham) on securing this important debate.

So far, we have seen an interesting division of labour. The right hon. Gentleman concentrated in great detail, as he had to do, on the process of the application. My hon. Friends the Members for Isle of Wight (Mr Turner) and for Gosport (Caroline Dinenage) concentrated to a considerable extent on the importance of the port of Southampton to the wider region. The hon. Member for Southampton, Test (Dr Whitehead) and my hon. Friend the Member for Romsey and Southampton North (Caroline Nokes) emphasised the magnitude of the task of accommodating container ships that can carry as many as 13,000 units and of transporting those units, when offloaded, to the hinterland within our country.

My role, therefore, towards the end of the debate is to try to show why this issue—or, not to overstate the case, this dispute—is different from other disputes that have taken place in the past and particularly the dispute over the plans that Associated British Ports had for many years, and has not entirely abandoned, to build a huge container port at Dibden bay in my constituency, on the opposite side of Southampton water to the existing container terminal. Hon. Members from that part of the country will be well aware that there was a six-year campaign to resist the Dibden bay port development, culminating in a year-long planning inquiry, which finally decided to recommend—the Government of the day, to their credit, accepted this—that that development should not go ahead.

There is a complete difference between the situation in which we were fighting against the Dibden bay development, and the obstructiveness that has confronted ABP over the current development, which entirely conforms to what we said at the time. That is that the container terminal in Southampton, run by ABP, had the potential to be expanded, to have its capacity increased and to grow as the size and volume of container traffic continues to grow.

[Dr Julian Lewis]

At the time of the earlier dispute, ranged against ABP were not just the MP for New Forest East, which is entirely to be expected, given an MP's responsibility to his constituents, but all sorts of national, environmentally concerned bodies: Natural England or whatever it was called at the time, the Royal Society for the Protection of Birds—you name it; they were against it. Where is that cacophony of objection to the development of berths 101 and 102? Is it being suggested that great harm will be done to the natural environment or the habitat? As my hon. Friend the Member for Romsey and Southampton North emphasised, the main concern is about migratory salmon. That is not to do with the development having a destructive effect: it is simply a question of timing the development so that the salmon can migrate in the normal way, and the piling and the preparation of the quay wall can go ahead.

There is nothing like the same level, quality, type or scale of objection on environmental grounds to what is proposed. On the contrary, the port is doing what the port, with the greatest respect—I say that to the right hon. Member for Southampton, Itchen—should have done at the time when the extremely destructive proposal to build at Dibden bay was originally made. The port proposes to take its existing footprint, to modernise it, to do a modest dredge and to enable the larger generation of ships to dock there safely and securely. That is precisely the way in which an important port should be able to increase its capacity—without doing any harm whatever to the natural environment and without causing much concern, if any, to the people who live in the area.

The difference is, therefore, fuelled not by environmental objections but by commercial ones. ABP could similarly be accused of applying double standards regarding its commercial objections to cruises being allowed to start and end at the cruise terminal in Liverpool. However, there is no real comparison, because the objections from the city of Southampton and ABP to the proposals for Liverpool—to their credit, Liverpool MPs have been present in force today to defend the interests of their city—have been based on the fact not that there would be competition between Liverpool and Southampton for the cruise liner trade, but that Liverpool received £20 million of public money to develop a cruise terminal as a port of call, not a port at which cruises should start and end. That money was given specifically on the condition that the cruise terminal would be restricted to that purpose, and within a year of the cruise terminal's being finished, the request was being made to tear up the condition without repaying all the money. I will not dwell on that, because we know that the argument is about to be settled one way or another, although we do not know which way.

Mr Watts: Was there not a great deal of public investment in Southampton before denationalisation? The port has enjoyed a lot of public investment over many years, so is it not a bit ironic that Members are complaining about public investment when Southampton has had so much?

Dr Lewis: That is a neat argument, but it would have a little more force if the port of Liverpool were not owned privately by Peel Ports. One should not compare what happened to Southampton before it was privately owned with what is happening to Liverpool when it is privately owned. It was a nice try, however, and I give the hon. Gentleman full credit for it.

In the spirit of consensus we have in the debate, I must acknowledge—I think ABP acknowledges this as well—that Hutchison Ports has had a bad deal. More than one local Member has ably made the point that Hutchison Ports feels that it was treated unfairly in comparison with other ports, so it has been making a point of saying that if it does not get fair treatment, it will put a spanner in the works so that other people do not get fair treatment either. I had some friendly and helpful interactions with Hutchison Ports at the time of the Dibden bay dispute, and I say to the company that it has made its point effectively, but it would be carrying things too far to try to make it again.

Time is of the essence, not only in this debate but in terms of the need to make a decision. I conclude by saying that if the debate has focused Ministers' attention—and, through Ministers, the attention of the Marine Management Organisation—on the need to conclude this over-long process as soon as possible, it will have achieved its objective.

Dr Thérèse Coffey *rose—*

Mr James Gray (in the Chair): Order. Before I call the hon. Member for Suffolk Coastal (Dr Coffey), whom I know represents the port of Felixstowe, I remind her that the debate is about the future of the port of Southampton, to which she must confine her remarks.

10.34 am

Dr Thérèse Coffey (Suffolk Coastal) (Con): It is a pleasure to serve under your chairmanship, Mr Gray. I intend to refer to many of the comments that have been made about the actions of Hutchison Ports, rather than to proselytise about the benefits of Felixstowe, which are already well known in the House.

Associated British Ports is an investor in the Suffolk ports of Ipswich and Lowestoft, as well as in Southampton. I want to reinforce the point that my hon. Friend the Member for Harwich and North Essex (Mr Jenkin) made about consistency and a level playing field. I commend the right hon. Member for Southampton, Itchen (Mr Denham) on his advocacy of the port of Southampton. As I mentioned in my intervention, companies that we represent are entitled to expect that Government agencies act within the law, and when they do not, it is reasonable to challenge them. The MMO suffers from the sins of its predecessor, but that happens with Governments, agencies and companies, which have to deal with the hand they are given. The MMO fell down initially in accepting the decision and subsequently admitted that it had acted unlawfully, so the order was granted.

The hon. Member for Southampton, Test (Dr Whitehead) pointed out some of the challenges of onshore distribution using the rail and road networks, which have received a lot of investment, as my hon. Friend the Member for Romsey and Southampton North (Caroline Nokes) alluded to. The right hon. Member for Southampton, Itchen was not able to answer for the fact that ABP did not consult organisations such as

Network Rail, the Department for Transport rail department or the Highways Agency when considering the land-side environmental impact assessment of its application. I am sympathetic to ABP's point that it relied on the advice of the Marine and Fisheries Agency at the time, and hindsight is a great teacher. I am surprised that ABP relied on a fisheries agency to provide full planning advice and did not use its own advice to ensure that it had covered every aspect of the planning application, because it is experienced in doing such things.

My hon. Friend the Member for Gosport (Caroline Dinenage) mentioned meddling by a commercial rival. Let me provide a parallel example of what might happen if the law on regulation was not applied consistently. If the Football League brought in transfer conditions that Southampton football club had to apply, but Portsmouth was allowed not to follow the regulations, I can imagine the rows between Southampton and Portsmouth supporters. Members of Parliament would be equally frustrated about the lack of even-handedness. Although I appreciate that the emotions involved in football do not stretch to the technicalities of a planning application, the same issues are involved. Commercially, we want a consistent response from Government agencies.

Caroline Dinenage: I am in favour of any positive discrimination that involves Portsmouth football club. We are talking about the economic benefit to the whole of the UK. Leaving aside any commercial rivalries or geographical disputes, we have to look at jobs, economic prosperity and income, which are important for the future of UK plc.

Dr Coffey: I understand that perspective entirely, and I will address it briefly.

My hon. Friend the Member for New Forest East (Dr Lewis) has been inconsistent in his argument. He was very generous to Hutchison, especially regarding its advice on Dibden bay, which I remember well because I lived in Hampshire at the time. Again, the argument is about consistency, and ABP and Hutchison are united in saying that nobody objects to Liverpool's having a cruise terminal, but it should be on equal terms. Both port operators share that position. I do not, therefore, accept that we are talking about different things, although the joy of being a politician is that our greatest competence has to be dealing with paradox.

Mr Denham: I realise that time is short, but the point about the legal challenge is that no one is suggesting that Hutchison has suffered massive commercial damage because the MMO got its procedures wrong. If the port of Felixstowe faced closure because of bungling by the MMO, I would understand the hon. Lady's point. However, she is justifying doing enormous commercial damage to the port of Southampton and the United Kingdom because something has been found not to have been done properly, and the action is totally out of proportion to any damage that Felixstowe has suffered. That is really the objection of Members from Hampshire on both sides of the Chamber.

Dr Coffey: I understand that perspective entirely. I am not suggesting that I would encourage Hutchison to continue to apply for judicial review after judicial review. I have no objection to Southampton being able to accommodate the largest boats, just as Felixstowe can now, but it is critical to encourage the MMO to act swiftly and properly. At the end of the day, it is about ensuring that our civil service agencies can tackle things, and as was said earlier there is the question of making sure that there are resources. It is about focusing on what matters for the UK economy. If the agency had pulled its finger out and made sure that ABP had done its assessment properly in the first place, we might not be in this mess. I would encourage the agency to devote its resources to the issue in question, rather than devoting any further resources to marine conservation zones; that would have an impact on ports around the country, including Southampton and Felixstowe. It should make sure it is business-friendly, pull its finger out and ensure that the law is applied consistently.

10.40 am

Jim Fitzpatrick (Poplar and Limehouse) (Lab): It is a pleasure to see you in the Chair this morning, Mr Gray. I am delighted to be here for the debate, and congratulate my right hon. Friend the Member for Southampton, Itchen (Mr Denham) on securing it, ably supported by my hon. Friend the Member for Southampton, Test (Dr Whitehead) and colleagues on the other side of the House. Both my right hon. Friend and my hon. Friend are former distinguished Ministers—indeed my right hon. Friend was a Secretary of State—and they both have considerable experience in the matters under debate. The speeches of the hon. Members for Isle of Wight (Mr Turner), for Gosport (Caroline Dinenage), for Romsey and Southampton North (Caroline Nokes) and for New Forest East (Dr Lewis) supported the case being put to the Minister, and the only dissenting voice—and even then, only slightly dissenting—was that of the hon. Member for Suffolk Coastal (Dr Coffey), who used a football analogy to outline her slight difficulty. As a West Ham supporter, in a debate on Southampton, I was not sure how I would get into the debate the fact that those teams are joint top of the championship, but the hon. Lady has provided me with the opportunity.

The role of a shadow Minister is sometimes puzzling, especially for someone who has been a Minister—not making the decisions and not having the intensity of programme or the diary pressures that the Minister experiences. As Her Majesty's Opposition, our job is to challenge, which does not, of course, always mean opposing, especially when some of the things that the Government will eventually decide to do were left to them by us. I know that the Minister will refer to that fact in due course. I think that he was ably assisted by my right hon. Friend the Member for Southampton, Itchen, who put me somewhat in the frame for this situation. In debates such as this, the local knowledge of my right hon. Friend and other colleagues is so comprehensive that there is little for me to add. I will therefore be brief, and I am sure that the Minister will use the time to respond to specific points that have been raised in this important debate.

I am sure that we will all agree on one point: shipping and the ports industry are great assets to our country, doing sterling work efficiently, well and almost invisibly. It is only when there is a tragedy, such as the one this week in Italy, that shipping ever makes the national

[Jim Fitzpatrick]

headlines. However, we know how important shipping is to the UK economy in all its aspects, and many hon. Members have made the case for that view this morning.

I should be grateful if the Minister reassured us about the general working of the MMO overall, about issues of implementation, and, in passing, about the impact on other ports besides Southampton—especially London. However, we are here to deal with specific questions raised by right hon. and hon. Members during the debate. My right hon. Friend the Member for Southampton, Itchen raised with us serious questions about the procedures adopted by the MMO—the errors, failures and delays, compounded by legal challenges from commercial competitors. My hon. Friend the Member for St Helens North (Mr Watts) raised the broader question of the planning process for major developments, and in passing I would say that it was a mistake by the Government that the coalition decided to abolish the Infrastructure Planning Commission, which was specifically designed to deal with the problems of unnecessary delays to national infrastructure projects.

My right hon. Friend the Member for Southampton, Itchen outlined in some detail why time is so critical in the present instance, and what he said was reinforced by hon. Members across the Chamber. Time will tell whether it will be possible for private sector finance to be invested, as many hon. Members discussed. We have heard that the issue is about ABP versus Hutchison and Southampton versus Felixtowe; we have also heard that it is about Southampton versus Liverpool. My right hon. Friend said that Southampton wants a level playing field on the cruise terminal question, and the Opposition support that view. I know from my hon. Friends that Liverpool is offering to pay back grant that it received. We welcome that. That issue is secondary to today's debate, but none the less it is with the Minister and perhaps he will tell us when and how it will be resolved.

As an aside, I will mention that, like many other colleagues, I have used the port of Southampton on several occasions. Most recently I was on the Cunard liner the Queen Mary 2, coming back from New York, and I will be sailing with Fred Olson from Southampton to Liverpool and Belfast on a Titanic mini-cruise in April.

As has been mentioned, the conclusion of the important ports policy statement debate will be tomorrow, in the Chamber. The Minister is held in high regard by the shipping industry and he knows that the Government need to get behind British shipping rather than in its way, and to try to remove obstacles placed in its way by others. I know that he wants to be helpful, so I look forward to his response, in the hope that he will offer clear reassurance to hon. Members and to the port of Southampton, about bringing the issue of timing and the MMO to a speedy conclusion.

10.45 am

The Parliamentary Under-Secretary of State for Transport (Mike Penning): I am honoured to be serving under your chairmanship this morning, Mr Gray. It has been an interesting debate, but perhaps I may seek your indulgence, as this is the first opportunity that I have had to address the House following the disaster in Italy. Our thoughts and prayers are with the families who have lost loved ones or been injured over the weekend. I asked Sir Alan Massey, the chief executive of the Maritime and Coastguard Agency, to contact his counterparts in Italy and offer any assistance that they would need with the rescue, investigation or contamination. Perhaps they may need some skimmers from us. I have also written to my counterpart in Italy with similar remarks. On that point, I shall be on a cruise liner as soon as I can—not crossing the Atlantic, like the shadow Minister, but to stand steadfastly by the cruise industry and show that the disaster, although significant, should not reflect on the industry as a whole. I expect that nearly 2 million British people will go on a cruise by 2014-15, and I hope that that figure will be exceeded. I wish every success to all ports involved in the cruise industry.

Interesting comments have been made about the link between the position of Southampton and that of Liverpool. I am the decision-making Minister and will be considering the matter carefully and making a decision soon. If Liverpool had offered to pay back all the grant, as the hon. Member for Poplar and Limehouse (Jim Fitzpatrick) said, we would not be discussing anything here today. The decision would have been made by the previous Administration, and that would have been enough. Liverpool has not made the offer that the hon. Gentleman described, but it has made an offer, which I am considering. However, even if I make a decision, there is an issue to do with the funding that came from Europe, and state aid clearance will be required by the European Commission. However, I will look at the matter. I want a level playing field and growth in the cruise liner industry. I want Liverpool to be a success. I have been to Liverpool—twice now—and have worked with the city council and with Peel Ports. One of the most exciting things that Peel has done is to start to use the capacity of the Manchester ship canal in a way that has not happened for nearly 100 years. There is a desperate need for that, and I congratulate Peel.

The port that I have visited more than any other in the 18 months when I have had the honour and privilege to be the shipping and ports Minister is Southampton. There are many reasons for that, but not the least of those is its significance within the ports industry. That cannot be looked at in isolation. The issue has to do with a commitment of £150 million of private funding for increased capacity of 201 and 202 berths. Anyone who has heard me speak as shipping Minister in the past 18 months will have heard me go on and on about the importance of ports to an island nation. Frankly, successive Governments have not taken ports seriously enough. With the dramatic change that the right hon. Member for Southampton, Itchen (Mr Denham) alluded to in the size of bulk ships, which we could not have envisaged a few years ago, we need to make sure that our nation is not left behind, and that we have the necessary capacity in the UK. The investment by Hutchison at Felixtowe, which as hon. Members can imagine I have also visited, was significant in that context. I pay tribute also to DP World for sticking with it and going ahead with a £1.5 billion investment—36,000 jobs—in London Gateway. That will create competition for Felixstowe, which is good because competition within the ports industry is important. As I have said many times before, it is about not just those very big ports, but the provision of myriad services through the ports.

What is proposed in Southampton is not the largest deepwater port. Some of the bigger ships that are now being built will not be able to get in there. We are talking about a 16-metre depth when a 17-metre-plus at Gateway is under discussion and Felixstowe already has 17 metres. None the less, what this will do is allow the capacity to be spread around the country. Anyone listening to me will probably think that I am not supportive of Southampton having this port facility; well, categorically, I am. I want others to have it as well. Planning permission for deepwater ports already exists in Tees, Bristol and Liverpool. They will not be the largest ports, but they will take deepwater capacity ships—certainly to the size of 13,000 or 14,000 20-foot equivalent units.

As we look at this matter, we must ensure that the environment is protected. My hon. Friend the Member for Harwich and North Essex (Mr Jenkin), who is no longer in his seat, referred to the habitats directive. That directive has become a real issue; it was designed to do one thing and has become a hindrance in other areas. A review is currently under way, which will report in March. It will try to address the balance between protecting the environment and allowing this country to grow and businesses, especially ports, to carry out their work.

Members will hear the frustration in my voice when I say that much has been said about the MMO. The shadow Minister will not like what I am going to say, but the MMO was a creation of the previous Government. It did not come into force until April 2010. All the earlier action was carried out by the Marine and Fisheries Agency. Let me say—I will not beat about the bush here—there was a big cock-up, which is why the judicial review said that maladministration had taken place and that the agency had not done what it should have done.

Can I criticise Southampton for looking at what was given to it as a requirement and saying, "The legal body is telling us to do this, this and this", and then doing it? I have always been involved in small businesses, and issues relating to the highways and to rail would have been addressed within their own business plans. If they had been asked to do something, I am sure that it would have happened. There is no doubt about that. In this case though, that did not apply. One of the things that Hutchison is concerned about is that it was certainly asked to do such things when it was expanding the port at Felixstowe which I visited at the start of my tenure as Minister. One of the delays to do with Gateway's decision was with DP World. It was asked to do significant things relating to rail and road infrastructure. Negotiations, particularly over junction 30, went on right up to the last minute. Something that Hutchison has raised with me is whether the subsidies are there or not.

As we go forward, we can look at what the problems have been over the past few months. As I have said before with a degree of frustration in my voice, I do not have control over the MMO. I have control over the national ports policy, which we will debate tomorrow. Members will hear me talk about the renaissance in coastal shipping and in ports, both small and large. I can take so much freight off our roads. So many road miles can be taken away if we utilised our ports.

Mr Watts: I understand the political banter and why the Minister has talked about things happening on the previous Government's watch and not his own. I think that that is a valid point. What action has been taken to deal with the officials who made that "cock-up"? This is what I find all the time. When one Government leaves office, the other one blames them. On this occasion, the problem is down to civil servants and individuals. Are they still working? Has action been taken to ensure that they do not make the same mistakes again?

Mike Penning: I do not know how *Hansard* is going to get the word "cock-up" in, but there it is again.

The MMO is a quango with almost no ministerial control whatever. Many of the civil servants in the previous incarnation did not transfer to the new organisation because it was reincarnated in Newcastle. Much of the personal knowledge about this particular case was not transferred. Once we have got through this—I must ensure that I do not interfere with any judicial process—we will be looking very closely at the matter. Remember this is a Department for Environment, Food and Rural Affairs and Department for Transport issue. Do not get me wrong, the Minister would never have seen this; it would never have got to him. This was below the radar level. None the less, it is quite simple to say, "You looked at these ports and you asked for this, this and this. When you came to this port, you didn't ask for something that you have asked for at nearly every other port that I have looked at." We will address this matter.

I want to look at how the MMO works. As the Minister standing before the Chamber, listening to colleagues and going on visits, it is enormously frustrating having very little control over things such as the harbour revision order. Even if the whole local community and the MP is against that order, all I can do is advise the MMO; I cannot actually instruct it.

Mr Denham: I am sure that there are many bigger issues to do with the MMO that need to be dealt with; the Minister is right. None the less, in five weeks' time, the consultation will end. The MMO has to deal properly with that consultation so that it is free of legal challenge, but it must do it in an extremely timely manner. One of the reasons for having the debate with this Minister and this Department is that it is this Department that understands how important the issue is. I am not convinced that DEFRA Ministers do, and I am not sure that the MMO does. What we are asking the Minister today is for him and his Secretary of State to say to DEFRA, "In five weeks' time, if you don't have the right people in place with the right expertise, you will not be able to handle this in a satisfactory and timely manner."

Mike Penning: I thank the right hon. Gentleman and he has probably taken the first point that I was going to make. I can do three things today. First, I can speak to my counterparts in DEFRA and tell them how seriously we consider this matter. If the MMO does not have the expertise, capacity and confidence to make a watertight decision, we will offer it the officials to help it to do that. It is independent of the Department for Transport, but I am sure that we can provide secondments if we need to.

The second thing we can do, which was mentioned by my hon. Friend the Member for Suffolk Coastal (Dr Coffey), is to say to Hutchison, "You have made your point." There is no benefit in delaying this matter with a further challenge. As long as Associated British Ports does what it is asked to do with regards to the

[Mike Penning]

MMO and it supports the MMO decision, then that should be it. I cannot make it do that, but I am a constructive friend. I am sure that there are people who will be listening carefully to what the Minister has said about this delay. I am a friend of all the ports. I want competition, but this is not looking particularly good any more with regard to Hutchison. I fully understand its position. The law was not adhered to and maladministration took place, which is why the judicial review was minded to go down such an avenue. For lots of reasons, not least those relating to UK plc, jobs, infrastructure and the people of the Southampton area, we need to move on. Capacity ports need to be available. When outside investment considers UK plc, they may say, "We would like to invest there". However, their Google alert or some other agency may then say, "Hold up a second, if you try to get consent down there, these are the sorts of problems you will get."

I want Bristol to go ahead with its decisions. I want Liverpool, separate from the cruise business, to be able to go ahead with the deepwater port. I want Tees to go ahead as well. The Tyne is another one that should go ahead despite the issues relating to contamination. I was there only the other day. If all those ports go ahead, it will create the capacity that we need to get freight off the roads. As our economy grows, and it will grow, we need to ensure that we can be in the marketplace. We need to be a hub for these huge containers. Let us not underestimate the sheer size of the task that we are talking about. I stood at Felixstowe on the deck of one of the larger Maersk ships and looked down on the cranes that were trying to load her. Those cranes have now been replaced by even larger ones, which the Secretary of State must have seen when she was there the other day.

We need to be in-step with a market that is world led. We have been world leaders in this field for years and years. We stepped back when previous Governments did not take ports and shipping seriously. I do take them seriously and I hope that this plan goes ahead for Southampton.

Tennis

11 am

Meg Munn (Sheffield, Heeley) (Lab/Co-op): I am delighted to be here and to see the Sports Minister, who will respond. I am pleased to have secured the debate and to welcome my hon. Friends—we are all friends when it comes to tennis. I am secretary of the all-party group on tennis, or as it is more commonly known, the Lords and Commons tennis club. The most enjoyable part of holding that position is getting to play.

Tennis is a sport open to all. It is played by children, as soon as they can hold the racket, through to the older generation to maintain agility, balance, flexibility and strength. It can be enjoyed by two people competing for victory or by groups and families for leisure. It is flexible and fun. Unfortunately, despite all those positive attributes, the country suffers from low participation. Sport England's Active People survey shows that tennis participation has fallen to 402,000 regular players—way short of the 550,000 target for September 2011. Shockingly, the number of tennis courts has declined in the past 10 years from 33,000 to only 10,000.

Research shows that the public are keen to play more tennis. According to a ComRes survey carried out on behalf of Tennis for Free in September 2011, nearly half the people surveyed would be more likely to play tennis if facilities were free to use. It also found that 69% of people think that local facilities should be free and a massive 84% believe that they need to be more accessible. The serious lack of interest in the grass-roots level is a missed opportunity. Getting more Britons inspired by and involved in sports was a pledge that helped London to secure the 2012 Olympic games, but that cannot happen unless we invest in small organisations that promote grass-roots sports.

Chris White (Warwick and Leamington) (Con): I congratulate the hon. Lady on securing the debate. Is she aware that Leamington Spa is home to the first lawn tennis club, established in 1872, which was three years before Wimbledon? In the Olympic year, could we not make an effort to ensure that we improve young people's understanding of the history of tennis, so that the legacy is not concentrated only in London?

Meg Munn: As an MP representing a constituency even further away from London than the hon. Gentleman's, I am obviously keen for the legacy of the games to be felt throughout the country. I have spent time in Leamington Spa, but I was unaware of its history, so I am delighted to have been educated. Let us get kids out playing and then teach them the history, but I welcome his intervention.

In 1997, when the Labour Government came to power, school sports were poorly funded and communities relied on badly funded local authority provision and voluntary clubs. The Labour Government set out to create a proper structure to encourage greater participation, which included the Youth Sport Trust, for schools and youth clubs; Sport England, for community support through national governing bodies; and UK Sport, for elite sport throughout England.

In December 2008, Sport England announced a £480 million investment to provide grass-roots sporting opportunities and a lasting Olympic legacy of 1 million

people playing more sport. It awarded sports funding based on their expected ability to increase the number of people playing sport and to ensure that young, talented players could be identified and supported to develop their skills.

Through the four-year whole sport plan, tennis received a block grant of nearly £27 million for 2009-13—the fourth largest grant given to any sport—from Sport England. That money is channelled through the sport's national governing body, the Lawn Tennis Association. It was originally built on a club structure, but there has been a shift to include more local authority-run parks and school sites. Almost 200 park sites, which offer affordable tennis, are accredited as beacons and the LTA also invested £200,000 in revenue funding last year to support free and affordable activities. Sport England targets tennis funding at three areas, for which it uses the terms: grow, sustain and excel. For those of us who do not like such short descriptions, they mean increasing the number of people playing tennis, sustaining their number through measuring existing participants' satisfaction and helping young, talented players to progress and excel.

Rosie Cooper (West Lancashire) (Lab): At Glenburn sports college in Skelmersdale, the LTA has invested in developing high-quality tennis courts. It is a new town that has existed for only 50 years, so it does not have the great history that the hon. Member for Warwick and Leamington (Chris White) mentioned and had no tennis provision in a town of 40,000 people. Does my hon. Friend agree that it is important to ensure that the opportunity to get involved in tennis should be widely accessible, especially in communities such as Skelmersdale that did not have a tennis court? You never know, we may discover stars.

Meg Munn: I am delighted to predict that a future Wimbledon champion will no doubt come from my hon. Friend's constituency. She makes the point extremely well—that is exactly what needs to happen.

The LTA has undertaken significant work in the past 18 months to accelerate growth in participation in park tennis sites, schools and through its "allplay" campaign, launched in summer 2011 to help more people play tennis. The campaign includes a free website to help people to find someone to play against, a local place to play tennis, of which there are about 20,000, and coaching to help people to improve. For future projects, the LTA has invested or committed £19.9 million in total to 159 projects or facilities since 2008. Over £11 million of that comes from Sport England's whole sport plan funding, with the LTA funding the remainder directly. That will result in 32 new indoor courts, 109 new outdoor courts, nearly 300 resurfaced or reconstructed courts and 294 courts floodlit across England. The LTA investment rightly reaches beyond traditional clubs—£7.9 million has gone into community facilities, such as parks and education sites, and no doubt that includes my hon. Friend's constituency.

Mrs Mary Glindon (North Tyneside) (Lab): I am sure that my hon. Friend will join me in commending the LTA for investing in one of the most deprived wards in my constituency with a fantastic indoor tennis court at Churchill community college—a very visible site that has been well used by the community. It was done in partnership with the council and is a fantastic example of an investment that will make a difference to the lives of young people in North Tyneside.

Meg Munn: I welcome that; such work is important, but it still has not achieved the participation that it should. The barriers to more people playing tennis must be addressed.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Lady on securing the debate. Sport is a devolved matter in Northern Ireland, and although we are talking about England, I want to add to the debate an example of what has been done there. The Ulster branch of Tennis Ireland's initiative over a weekend last summer introduced 508 people to tennis with the support of councils, tennis clubs and private enterprise—Asda's sporting chance programme sponsored it. That is an example of how, with promotion and encouragement, we can get more people involved and other people to help.

Meg Munn: It is good to hear about that, because we must address the barriers to more people playing tennis.

I am sceptical that the LTA can achieve the surge in participation that we are all talking about and all want. In my experience, lasting involvement is often achieved by local people coming together and deciding to do something, by people getting involved for not just two weeks, during Wimbledon or when something is first there, and doing something that continues and enables people to take up a sport, which, as I said earlier, they can keep on playing well into their 60s, 70s and even 80s. For instance, a group of parents might want to do something for their children, or a group of women might want to get together and get active, while having fun. What prevents people from seeing tennis as the way to do that is the lack of courts and equipment, and probably most difficult to overcome is the sense that tennis is a sport for better-off people, with too many children and adults seeing it as elitist and not for them.

An organisation that has set out to change things is Tennis for Free, which starts from a simple point of view. If children want to play football, they get their ball, find a patch of grass, put down a couple of jumpers and start playing. It costs them nothing. Charging to use tennis courts has helped the decline in participation, by making tennis too expensive for many people to play, and councils need someone collect the money. The result across the country has been poor-quality tennis courts that become underused and fall into disrepair.

Tennis for Free works with schools, tennis clubs and local authorities. It uses public park court facilities to create tennis communities. It provides free equipment and a free two-year coaching programme, run by qualified coaches and available to young people and adults of all ages, standards and abilities.

Mark Pritchard (The Wrekin) (Con): I declare an interest as vice-chairman of the all-party group on tennis. I am, however, a very poor player, unlike the hon. Lady, whose skills are renowned throughout the Palace of Westminster.

The Minister for Sport and the Olympics (Hugh Robertson): And Wimbledon.

Mark Pritchard: Indeed. I should like to put on record my thanks to Mr Speaker for his active support of tennis and of Tennis for Free in particular. Given the huge amount of money going into tennis generally, from the Exchequer and the lottery, does the hon. Lady accept that a future Wimbledon champion—junior or senior, male or female—is as likely to come from the Tennis for Free courts as from private courts or those where an entry fee is charged?

Meg Munn: As the hon. Gentleman is probably aware, my view is that talent is certainly likely to be spread equally across the whole population. However, it is not just about getting the person who is going to do well and represent the country, but about getting everyone else involved, too.

With Tennis for Free, we are seeing a way of opening tennis to even more people, by providing free equipment and a free two-year coaching programme and, at the end of the two years, a friends community group is created to provide a free coaching programme with the same inclusive and welcoming ethos. Such community-based techniques have been shown to work. Tennis for Free's approach offers value for money and is, importantly, sustainable. It has had more than 16,000 attendees at its coaching events over the past year and is now embarking on a programme of renewing and renovating courts. It has also targeted low-income groups, thus ensuring that the schemes are promoted to families in areas of high deprivation, to spread greater provision to where there have traditionally been no tennis courts. My hon. Friend the Member for North Tyneside (Mrs Glindon) described the importance of that.

A vital part of Tennis for Free's activity is persuading local councils to make access to tennis courts free of charge. That improves value for money, because the maintenance budget is helped by the fact that well-used courts are less likely to become overgrown and vandalised. There are now more than 2,600 free park courts in the UK, up from just 700 in 2005—a real achievement for a small organisation. The approach matches public need. The ComRes survey found that a third of people would be more likely to play tennis if courts were open for longer, were in better condition and offered free coaching. The great thing about the approach is that it is relatively cheap to set up; provided that it is done in partnership, a two-year coaching programme costs about £15,000. Tennis for Free's success shows us that there is potential in grass-roots activity.

Investment in tennis is crucial. The coalition Government have announced a new youth sport strategy, to invest £1 billion of lottery and Exchequer funding in partnership with Sport England to ensure that more young people regularly play sport and will continue to do so into adult life. The funding is dependent on a performance management regime, whereby national governing bodies must demonstrate local impact to avoid the funds being withdrawn. So far, public funding for tennis has not produced the growth in participation that could have been achieved, but this is our opportunity to get it right, and the 2013-2017 plans for each national governing body are being developed over the next few months.

A vision for developing grass-roots tennis has been set out in the charter for tennis. It includes enabling wider participation, so resources spent on tennis must be focused on grass-roots development. Sport England funding from 2013 should be channelled to organisations dedicated to grass-roots development and allocated on the principles of transparency, accountability and value for money. By concentrating on grass-roots tennis and getting more people playing, we increase the number of people who find it an enjoyable and worthwhile activity in its own right. Will the Minister therefore consider guaranteeing that a proportion of tennis's future funding goes directly to grass-roots organisations such as Tennis for Free, rather than being channelled through only the national governing body?

11.16 am

The Minister for Sport and the Olympics (Hugh Robertson): I congratulate the hon. Member for Sheffield, Heeley (Meg Munn) on securing this debate, and I thank Members for their many contributions during her speech. The hon. Lady is absolutely right: tennis is a game enjoyed by many millions of people in this country. Absolutely central to our plans for the Olympics, and beyond, is to get people to focus on tennis for not just two weeks at the end of June and the beginning of July.

We want to ensure that tennis is played by as many people as possible, for as much of the year as possible, and I was very encouraged to see in a recent survey that tennis was highlighted as a sport that many more people wanted to play. Interestingly enough, although everyone concentrates on those at school and in their early 20s, tennis was seen in the survey as an incredibly popular sport among those who want to play it later in life; so although people are rightly enthusiastic about getting more young people playing, it is also important to remember that fact.

I thought I would first quickly give the hon. Lady a bit of background, talk about the opportunity, which she rightly highlighted, offered through the new sport strategy, and then address the issues she raised about Tennis for Free. She is absolutely right that by 2013, Sport England will have invested more than £26 million of public money in the Lawn Tennis Association, much of which is driven by lottery receipts. The hon. Lady mentioned that when she talked about increased investment in sport. Sport now gets 20% of the lottery take, up from 13.7%, and lottery receipts are rising, so more lottery money is available for sport than ever before.

The hon. Lady made her points very fairly and did not line the LTA up directly in the shooting gallery; nor should she—the contributions of many other Members have shown what the organisation has achieved. It is important for a Government, and indeed for Sport England, to have just one point of contact in any sport. When I took over the role of shadow Minister for Sport, someone told me that golf has 19 representative bodies in this country. It is important to have one body in overall charge, and clearly that should be the sport's national governing body. Whatever the rights and wrongs of this argument, the LTA has, as Members have pointed out, worked hard to bring more tennis into schools through the AEGON partnership and the new allplay scheme it has just launched, and wheelchair tennis is one of the fastest-growing disabled sports in the country. The LTA deserves enormous credit for all that.

The hon. Lady mentioned the youth sport strategy. She is absolutely right—there is nothing party political about it—that lottery funding has injected a considerable amount of cash into sport for the best part of 15 years, which has transformed funding for both Olympic and community sports. To be honest, it is deeply shaming that over those 15 years, the number of people playing sport—the problem is not confined to tennis—has flatlined or gone down. There are a number of reasons for that. First, the target of 1 million was, to say it in the nicest possible way, what a target of 1 million sounds like: plucked off the wall as a nice round number. It was not gained by burrowing deep into sports, finding out what they could deliver and coming to a target.

The second problem is that the measurement is now generally regarded as faulty. Active People uses the measurement of three separate sessions of half an hour's exercise a week, a direct lift from the old health model. The perfectly sensible idea was to streamline all this, but it is extremely difficult for most people to manage three separate sessions of half an hour's sport. The problem was brought home to me by England Hockey, which produced the example of a young hockey player, playing in the top levels of the southern leagues, who trained on a Tuesday night and played league hockey on a Saturday, but who failed the Sport England measure because they were not doing three separate sessions of sport.

That problem was compounded by the fact that the survey is collected solely through fixed telephone lines. As hon. Members will know, hardly any young person in this country operates on a fixed telephone line any more; everybody uses mobile communications, social media and the rest. As the Minister, I have suffered the ridiculous situation of calling in sport governing bodies such as the LTA to explain why their figures are falling and being told, "Actually, our figures show that the number of people playing is rising, but the survey is not picking them up." In my 18 months as Minister, I have found that the single most frustrating thing. Using a survey that measures more accurately what is happening is key.

The third issue involves how sport governing bodies—the LTA is not exempt from this criticism—went into the whole sport plan process. It was a good idea of James Purnell, as Secretary of State, to empower governing bodies to drive up participation, but some saw it as a means to drive the commercial model. They would get more people interested in a sport, and then those people would pay money to watch the pros play. That is different from influencing consumer behaviour and driving the societal change we need if we are to get more people to playing sport.

Meg Munn: I appreciate what the Minister says about the difficulty of counting how many people are playing, but one thing we can count is the number of courts. From my constituency and others, we know that some areas have no courts and that many courts are in disrepair. That is important and must be addressed.

Hugh Robertson: The hon. Lady is absolutely correct, as she has been in much of what she has said. Having given her a bit of background, I will move to the youth sport strategy.

The strategy was announced a week ago. Instead of continuing with the old strategy and its flatlining figures, we will encourage sport governing bodies to concentrate much more effectively and in a more focused way on the 14 to 25 age group, in the hope that if we can get people out of school and into community clubs playing much more sport, there is a much better chance, because sport has been established as part of their daily lives, that they will keep playing later. We will not demand that all sports focus exclusively on that age group, but we definitely want a renewed focus on it.

As part of that, voluntary groups and sports clubs will have the chance to access a £50 million pot to help ensure that the widest range of sporting opportunities are available to that age group. That is exactly the sort of pot that such schemes ought to pitch into. Alongside that sits the 2012 legacy scheme Places People Play, which will provide £135 million in funding, the majority of which will be targeted at small facility improvement through grants of less than £50,000. It strikes me that a great many tennis facilities would benefit from precisely that sort of funding.

I am glad to say that the scheme has proved far more popular than we ever thought. The first round was dramatically oversubscribed. The funding extends right across the piece, from fixing boilers and doing up changing rooms to repairing holes in roofs. Those are the sorts of thing for which small clubs find it difficult to raise money, but they are essential to increasing the number of people playing sport. Sport England will do a series of subsequent rounds of the programme. I encourage everyone here to get their local tennis facilities to apply for the fund. There are two streams. One, at the top, is Iconic Facilities. If Members have a big sports club in their constituency to which a lot needs doing—many of them will have tennis facilities—it can apply for funding. The other stream is Inspired Facilities: a sub-£50,000 pot to cover exactly this issue.

On Tennis for Free, I must be a bit careful. It is absolutely my job as Minister to set the overall strategy and then hold sport governing bodies, in particular, to account for how they spend their money. Over the past year, participation figures for a number of sport governing bodies—I will not name and shame them publicly—have tailed off. In some instances, we have removed funding from bodies that have failed. The new youth sport strategy will give payment by results. If we find that some sports are doing well, they will get more money. Those sports that just continue in the same old way and do not increase numbers will have their funding taken away.

However, it would be going further than a Minister should to delve into a sport and instruct the sport governing body exactly how to allocate its funds. I hold governing bodies to account for what they are doing across the piece, but I do not tell them to fund individual organisations. There is also a secondary point. The part of the whole sport plan into which I suspect Tennis for Free will fall is lottery funding, not Exchequer funding, so it is illegal under additionality rules for me to tell the LTA how to spend its funds. That said, I am keen for the LTA to work much more closely with Tennis for Free, which is an interesting and innovative scheme. I hope, as does the hon. Lady, that it will succeed. Clearly, it must prove that it can, but I suspect it will have an important part to play in the mix for achieving her aims.

[Hugh Robertson]

The most constructive thing that I can do as a result of this debate is to give the hon. Lady an undertaking that I will write personally to the chief executive of the LTA asking him to meet Tennis for Free to bottom out exactly what can be done and what issues remain, and to write back to me. I will then copy that reply to her, so we can be sure that something will come of this debate.

Meg Munn: Can I press the Minister slightly? I accept entirely what he said about his overall strategic role, but can he also give direction to governing bodies across the piece on ensuring work and partnership with grass-roots organisations?

Hugh Robertson: Absolutely. That is part of the whole sport plan process. My instinct is that that principle is probably there already. The whole sport plan, as it works at the moment, has not changed at all since the last Government were in office. A better way of answering that might simply be to say that sport governing bodies have a fair degree of autonomy to drive up participation in any way they see fit, as long as they get more people playing.

Clearly, it is a new idea. If we are investing public money, either through the lottery fund or the Exchequer, we need to ensure that it gives value for money and works. I encourage Tennis for Free and the LTA to work together more closely. I will broker that meeting and monitor what happens.

Finally, such relationships are important. In some sports, they work well; in others, they work less well, and tennis might be one of them. The important thing is that both sides take an open and constructive approach. I leave the hon. Lady with this thought. It does not help if organisations trying to get funding from sport governing bodies are permanently hammering them in the press. That produces a siege mentality that I suggest might be part of the problem.

11.29 am

Sitting suspended.

Northern Rail Hub

[Mr Jim Hood *in the Chair*]

2.30 pm

Jason McCartney (Colne Valley) (Con): It is a pleasure to serve under your chairmanship, Mr Hood. As one of the vice-chairmen of the all-party group on rail in the north, I am delighted to have secured this debate on an issue that is well and truly at the top of our agenda. It is great to see present so many colleagues from the all-party group and from the north of the country who are passionate about rail investment in their constituencies and across the north.

My Colne Valley constituency has two rail lines running through it. The Leeds to Manchester trans-Pennine route has stations in Lockwood, Slaithwaite and Marsden, while the Huddersfield, Penistone and Sheffield line has stations in Honley, where I live, and Brockholes. Frequent, reliable, clean and affordable rail services are needed in my constituency and across the north as a clear alternative to the clogged motorways of the M1 and M62.

What exactly is the northern hub? The aim of the project is to allow the towns and cities of the north to work better together and drive growth by increasing capacity and reducing journey times on the rail network in the north. There is a bottleneck on the rail network in the north—largely in Manchester—and a lack of investment in transport infrastructure will act as a restraint to economic growth across the north. The northern hub is a £560 million project of targeted infrastructure investment to help the north continue to thrive that includes a series of proposed rail network improvements across the north that will stimulate economic growth.

Yasmin Qureshi (Bolton South East) (Lab): Does the hon. Gentleman agree that it is important that all parts of the northern hub project are properly funded? If only one aspect is funded, that will cause difficulties in the rest of the area.

Jason McCartney: The hon. Lady makes an excellent point. When I sum up, I will re-emphasise that we will only get the total benefit from all the economic benefits if the whole hub project is fully funded. I hope that that will be one of the main conclusions from this 90-minute debate.

The improvements and economic benefits of the project will go as far as Newcastle in the north, Sheffield in the south, Hull in the east, and Chester and Liverpool in the west. It really will benefit the whole of the north. The northern hub will be a catalyst to drive economic growth in the north. Network Rail has calculated that between 20,000 and 30,000 new jobs will be created, that there will be an extra 700 trains a day and that it could be worth up to £4 billion to the northern economy. Network Rail submitted the northern hub proposals to the Government last September, as part of the initial industry plan, and we expect a final decision this summer.

Where are we up to with the project? To give some history, the northern hub report was launched by Network Rail in early 2010. It evolved from a Northern Way report about what was needed to drive economic growth in the north. It defined a set of outputs and the hub was designed to meet them.

Julian Sturdy (York Outer) (Con): I commend my hon. Friend on securing this important debate. He is right about the economic growth that the project will provide and the job creation that we need, especially in the north. Is it not true that the project will also help bridge the north-south divide that has grown over the past 10 years?

Jason McCartney: My hon. Friend makes a fantastic point, which was also made after the statement on High Speed 2. As well as investing in HS2, it is important that we invest in local rail infrastructure, which is exactly what the northern hub can do.

In March 2011, the Chancellor announced that £85 million of Government funding was available for developing the Ordsall chord, which is a new link between Manchester Victoria and Manchester Piccadilly stations that will provide a new route enabling passengers to get across the city. Importantly, there will be no need to change trains in Manchester. Network Rail is working to gain necessary planning consents to build the new link.

Last autumn, the Chancellor announced funding for electrification on the north trans-Pennine route between Manchester and York via Leeds. That was not originally part of the hub plans, but it brings huge benefits, such as increased reliability and more room on trains. It is better for the environment and helps reduce the cost of running the railway. In fact, yesterday evening, our all-party group received a briefing on electrification in the north-west, during which we heard all about the benefits. Electrification of the trans-Pennine route between Leeds and Manchester will allow six fast trains an hour between Leeds and Manchester—there are just four at present—and journey times could be reduced by up to 10 minutes. However, the plan has implications, which I will address in a moment.

Some aspects of the northern rail hub project still have to be funded. As has been mentioned, we will only get all the hub's economic benefits if all of it is funded. Two new platforms are needed at Manchester Piccadilly to allow more trains to run through rather than terminate in Manchester. That would provide more direct train services across the north. Moreover and crucially, new tracks are needed on the lines between Leeds and Liverpool and between Sheffield and Manchester, to allow fast trains between the major towns and cities of the north to overtake slower trains.

This is a live issue in my Colne Valley constituency, and many of my constituents have legitimate worries about it. In fact, I received an e-mail in the past hour from SMART—Slaithwaite and Marsden Action on Rail Transport—which is, as am I, very concerned about the effect that the proposals for faster services will have on local stopping services. Fast trains are great, but they must not exist at the expense of local stopping services. We have to ensure that there is an integrated transport system in the northern corridor, not just the fast services between Leeds and Manchester. I will keep a very close eye on that and campaign fully to keep all the localised stopping services, because it is important that major funding projects keep an integrated local transport system.

Contrary to reports, no decision has been made on which is the optimum pattern for Marsden, Slaithwaite and Lockwood on my patch. The decision will be made through the franchising process and involve consultation with local representatives through the passenger transport executives. Network Rail is in regular discussions with representatives from the Department for Transport, Metro, Transport for Greater Manchester and Northern Rail. They will all work together to establish which pattern best suits residents in the area, mindful of infrastructure capability, commercial demand and improved connectivity. That is why we need the northern hub investment—this really is an important part of it—to provide more tracks and more overtaking opportunities.

I am sure that hon. Members would like to know who supports the hub. Network Rail welcomes recognition by my right hon. Friend the Minister, who has responsibility for rail, that the hub has a case and that the Government have funded both the Ordsall chord and the electrification of the trans-Pennine route. The northern hub is supported by a wide range of stakeholders, local authorities and passenger transport executives, such as Metro in West Yorkshire and Transport for Greater Manchester. Business in the north supports it, and it enjoys cross-party, pan-northern political support, as the number of Members present clearly demonstrates.

The Transport Committee endorsed the hub in a report on transport and the economy in March 2011. I welcome that support. We must remember that the project has the potential to create 20,000 to 30,000 extra jobs for the north, which will help the Government reduce the welfare bill. We would all support that.

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): Is the hon. Gentleman aware that the Transport Committee's recent report on high-speed rail makes specific reference to the northern hub? It is supported by the cross-party Select Committee.

Jason McCartney: I thank the hon. Lady for mentioning that issue, which we were talking about at the all-party group meeting last night. She brings much expertise and knowledge on the Select Committee area. I am sure that the matter that she raises will be examined and explored during the debate.

I note that many other issues surround rail travel, not just in the north but across the rest of the country. I hope that concerns such as connectivity with HS2, rail fares, cross-boundary fares and the non-collection of fares—the conductor's ticket machine keeps breaking down on some of my train services, so halfway through the service, he stops issuing tickets—capacity, Northern Rail carriage demands and many more matters will be the subject of future debates. However, this debate is on the northern hub.

Julie Hilling (Bolton West) (Lab): On the hon. Gentleman's point about not being able to collect fares, does he have the same problem on his services as I have on mine, where the conductor cannot collect the fares because he cannot make his way through the people on board who are packed in like sardines?

Jason McCartney: Yes. The chairman of the all-party group on rail in the north makes a fantastic point. I was travelling on the train from Honley, where I live, to Stocksmoor on a Saturday afternoon and lots of people were heading towards Sheffield to do their shopping at Meadowhall. Halfway through the journey, the batteries in the conductor's machine ran out because he was

[Jason McCartney]

issuing so many tickets. Apparently, that happens all the time and the machine cannot produce tickets then. At a time when we want to get investment in the railways and recover the costs, I find that absolutely ridiculous. There are many issues like that. I hope that we can continue to explore the matter with the all-party group; that would be excellent.

Martin Vickers (Cleethorpes) (Con) *rose—*

Jason McCartney: As I said, many other issues surround rail travel but this debate is primarily about the northern hub, which I know my hon. Friend will mention.

Martin Vickers: My hon. Friend is making a splendid case, as always, and is speaking up for his constituents. Does he agree that it is fine to increase capacity, but that we must make the process of allowing new operators to access the service much easier and quicker?

Jason McCartney: My hon. Friend makes an excellent point. In our part of West Yorkshire, Grand Central has increased its range of services and is stopping in Mirfield just outside Huddersfield. Direct rail services, particularly to London and the south, are an important part of breaking down the north-south divide, and I certainly welcome those developments.

I thank the Minister for being here today. I should like to note a few things that I welcome in her speech to the Northern Rail conference in Leeds in October last year. In that speech, she recognised the role that the railway has to play in bringing prosperity to the north, with which all of us in this Chamber would agree. I also welcome her acknowledgement that the Chancellor has prioritised investment in rail by announcing in the spending review £18 billion of funding for rail. I agree with her comments that rail can deliver not only growth, but a more balanced sustainable economic growth and that it can help to tackle the prosperity gap between the north and south. Crucially, the Minister stated that the Government recognised the benefits that the remainder of the northern hub programme could offer and confirmed that they would be looking "very seriously" at the whole proposal in the run up to this July's high-level output specification 2 statement. Again, I welcome that.

I should like to put the Minister on the spot, however, and ask her three specific questions. First, will she commit to ensuring that the northern hub project is fully funded, so that the north can enjoy the economic benefits that that would deliver: 20,000 to 30,000 new jobs and £4.2 billion of wider economic benefits? Secondly, given that the Government have rightly funded HS2, which enjoys a benefit-cost ratio of 1.6:1 and that the northern hub enjoys a business case of more than 4:1, does she agree that it makes economic sense to fund the hub fully?

Jonathan Reynolds (Stalybridge and Hyde) (Lab/Co-op): I congratulate the hon. Gentleman on securing the debate. I very much enjoyed his use of the phrase "pan-northern," of which we should have more in Parliament. I support entirely his position on funding the hub holistically as one scheme to get the maximum benefit from it, but what information does he have about the cost ratio changing if we only fund it piecemeal? Surely, if we fund the hub individually in sections, it would result in the costs increasing and the benefit ratio reducing.

Jason McCartney: The hon. Gentleman represents Stalybridge, which is just over the Pennines. Obviously, I have been through his constituency when travelling on train services through the tunnels to the other side. He makes a very good point. Certainly, the benefit-cost ratio diminishes rapidly if the project is not fully funded. I hope that we are getting that point across.

I have asked the Minister two specific questions. My third question is: does she agree that, following the HS2 announcement, the northern hub is even more important to the delivery of wider economic benefits and to ensuring that an integrated transport infrastructure can spread across the north of England? Those are the three specific requests that I should like responses to.

As I start to wind up to allow colleagues to have their say, I must mention HS2. One of the repeated claims made against the HS2 announcement last week is that it will come at the expense of more localised services and that we should spend the cash on improving existing services. Well, the northern hub project clearly shows that both can go hand in hand: huge investment in the existing network and the added capacity and speed of HS2. In summary, the northern hub comes in at £560 million. There are £4 billion-worth of benefits and potentially 20,000 to 30,000 new jobs that would drive the northern economy forward, all for the same cost as the refurbishment of King's Cross station.

Several hon. Members *rose—*

Mr Jim Hood (in the Chair): Order. I inform right hon. and hon. Members that I have eight Members on my speakers' list, plus the two Front Benchers, so I encourage a bit of brevity while making clear arguments. I intend to call the first Front Bencher at 3.40 pm.

2.46 pm

Angela Smith (Penistone and Stocksbridge) (Lab): I congratulate the hon. Member for Colne Valley (Jason McCartney) on securing the debate. It is apt that I should follow his contribution because my constituency follows on from his, and the line he referred to goes on into my constituency. The only time I will willingly share a platform with the hon. Gentleman is the day when we get improved capacity on the Penistone line. I look forward to that day very much indeed.

For the north of England, the northern hub project is as important as the Crossrail project is to London. In many ways, it is helpful to see the project in those terms. Between the cities of Newcastle, Leeds, Sheffield, Manchester and Liverpool, 14 million people live and work and travel. Much of the rail traffic has to go through an antiquated interchange of rail routes through Manchester and the surrounding area, and very few people—if any—in this room can have any doubt whatsoever that the northern hub project is absolutely crucial to the future of the economy in the north of England.

There is no doubt that, in the past 10 years, there has been a transformation in rail across the north of England, with more and more passengers choosing to travel by train. That modal shift, if we can describe it as such, has supported significant economic growth in the north, as

people are able feasibly to commute further to work or to execute their business. However, that growth is now threatened, not only because of the reckless risks being taken with our economy by the coalition, but because of the need to modernise our infrastructure in the north of England so that we do not constrict growth and discourage investment.

Some people might ask, "Why is Manchester's railway network so crucial to the north or the country as a whole?" I would refer back to the comments made by the hon. Member for Colne Valley to make that case. In the early days, the project was sponsored by the Northern Way—an organisation, incidentally, formed by the three regional development agencies abolished by the Government—and was called the Manchester hub, not the northern hub. Politically, the decision was taken at an early stage to rename the developing project the northern hub, because it was quickly recognised that the benefits realised were not just for Manchester but for the whole of the north of England. It was felt that if we were ever to get the project off the ground and funded by the Treasury, it had to be seen as something that benefited the whole of the north. That is why I make reference to Crossrail. As I said earlier, in a sense, the northern hub project unknots the problems with cross-country trains in a way that will impact on a population of 14 million people.

Yasmin Qureshi: As somebody who formerly lived in the south, I am very happy about the funding for Crossrail. Is it right, though, that the benefit-cost ratio of Crossrail is 1:7, as opposed to 4:1 for the northern hub? Clearly, there is much more benefit to the northern hub than to Crossrail.

Angela Smith: I agree entirely with that point. The northern hub would do a great deal to help tackle the economic disparities between the south-east of England and the north.

What is the northern hub project that we have heard so much about? The hon. Member for Colne Valley illustrated it well: it is a series of works, new track and increased platform capacity in Manchester that will remove track conflicts and relieve traffic congestion. The works will allow up to 700 more trains a day, with space for 44 million more passenger journeys a year. Completion of the works will allow two new fast trains an hour to run between Manchester Victoria and Liverpool, with, as the hon. Gentleman said, six fast trains an hour between Leeds and Manchester, as opposed to four now.

Just as important for someone who represents a south Yorkshire constituency, journey times between Leeds, Sheffield and Manchester—what I have referred to in the past as the "golden triangle" of the north—will be reduced significantly. Leeds, Sheffield and Manchester are equidistant, economically important and interdependent, and we have to maximise the potential of those three great cities. I have argued previously that the present situation whereby it takes up to an hour and often longer to travel the 30 miles between Sheffield and Manchester is unacceptable. That represents a journey time not a great deal different from that experienced by our Victorian forebears—that is how little the north of England has moved forward in rail journey time and capacity in the past century. A completed northern hub would cut the journey time between Sheffield and Manchester and, importantly, would allow two more trains to run throughout the day. That will help to cut the daily overcrowding, which has already been mentioned, on cross-country routes.

The estimated cost of those improvements, as the hon. Member for Colne Valley said, is £260 million—a large sum, but not great when placed alongside the £16 billion budget for Crossrail. It is estimated that for every £1 invested, as my hon. Friend the Member for Bolton South East (Yasmin Qureshi) said a moment ago, there would be a return of £4 in economic benefits. Crucially, we need the whole of the package to deliver that economic benefit. I see the current congestion and problems in the network as a knot. To deal with the problems created by a knot, one does not half untie it. The whole knot has to be loosened and dealt with to get the benefit, and that is the important point. We have to unknot the network and deal with all the problems created by congestion around Manchester. There is no point in untying part of the knot; we have to deal with the whole problem to get the benefit.

The Chancellor's recent autumn statement announced the Government's intention to fast-track some elements of the northern hub project. That commitment is welcome but it goes nowhere near far enough. Work on the Ordsall chord will enable trains from Manchester airport, and Liverpool to Leeds, to use the modernised Manchester Victoria station, but that only partially answers the question of congestion in and around Manchester. The announcement to electrify the north Pennine route and the electrification of other routes around the north-west is welcome, but while that will allow lighter, more efficient trains to use those routes, it will not relieve all congestion and will not help passengers from Sheffield, and those further east on the Hope Valley line, to enjoy faster, more frequent trains. That has a massive impact on the east coast and the Humber bank. The Hope Valley line is critical to all train journeys from Cleethorpes and Grimsby through to Manchester airport, as well as Sheffield.

If the north of England is to close the economic gap with London and the south-east, it is my firm belief that this project has to be given the green light in its entirety for the next control period. The full range of benefits envisaged by the project, benefits that we know are desperately needed to help the north to grow, will not be realised unless we deliver every element of the project.

We have called for this debate today because we have been receiving worrying signals from the Minister. I pay tribute to her, which may seem unusual for an Opposition politician, for the way she has handled the High Speed 2 debate. She has shown a firm grasp of the detail and has been staunch in her commitment to the project, and I would like to see the same for the northern hub. The point made earlier, that the northern hub is critical to complementing HS2, is the important point.

On capacity in the north of England, if it is cheaper to tunnel than to dig steep embankments in the Chilterns, surely we can consider reopening the Woodhead line. It has been said to me that the tunnelling that would be required on the Woodhead line if we were to reopen it is far too expensive for the Department for Transport to consider. Let us therefore have that one back on the table while we are at it.

[Angela Smith]

For many years, the north has lagged behind the south-east in rail investment. Now is the time to change that. It is time to acknowledge that transport spending for the north has lagged significantly behind that made available for London and the south-east, and that action needs to be taken to correct this unfairness in funding allocations by the Department for Transport. This is the best opportunity we have had for years to correct that situation by giving the go-ahead to this project in its entirety.

I pointed out at the start of my contribution that a completed northern hub helps not only Manchester but the rest of the north of England. I call on the Government to prioritise this work. It makes sense for the north and it makes sense for rebalancing the economy, so it makes sense for the UK as a whole.

2.56 pm

Guy Opperman (Hexham) (Con): I will try to be a little briefer and more directly to the point. I make the fundamental point that I support the assertions in favour of the northern hub, and briefly reflect on the fact that we now have a situation where the Secretary of State is from Rotherham. Is that not a good thing, as a northerner? The Minister has been repeatedly up to Newcastle, both before and after the general election, and we have a Parliamentary Private Secretary, my hon. Friend the hon. Member for Harrogate and Knaresborough (Andrew Jones), who is from Harrogate and is a former vice-chair of the all-party parliamentary rail in the north group. It is a positive step to have Ministers and parliamentarians who are genuinely interested in transport in the north, and particularly in railways.

I endorse all that has been said on HS2. That does not mean to say that we do not have to monitor the contracts, support it in the right way and monitor it so it goes well, but fundamentally it is a great thing that we have HS2 investment and the degree of investment we have had in the northern hub, with the Ordsall chord and the electrification that has taken place, which will produce extra capacity. I regularly take the train from King's Cross to Newcastle and, on the last two occasions, far from being happy-go-lucky in first class, I have sat all the way to York outside the toilets, because that was the only place where there was any space on the floor.

Karl McCartney (Lincoln) (Con): Quite right.

Guy Opperman: Some would say, "Quite right, too." I do not think that everybody else is doing that, but the point is this: all of us see, commuting as we do to the north, the degree to which there is a lack of capacity on the trains at peak times. I support wholeheartedly the work that is being done by the North East chamber of commerce, which is very supportive of the northern hub, and by the Tyne Valley community rail partnership.

I want to raise one follow-on point from the northern hub and how Northern Rail in particular is conducting itself in the north-east and in Northumberland. If colleagues will indulge me for two minutes, I will explain. "Torchgate" is not a matter that I expect the Minister to solve, but it is important that she understands the great difficulties that Northern Rail has produced. There have been a number of new carriages applied to the Northumberland lines, but a failure—the key point—to actually light the areas such that for three days we had an extra carriage on the crucial 7.42 from Hexham to Newcastle and then the union decided that it was not safe for its drivers to walk in an unlit area to change it all around. Consequently, torchgate means that, in the absence of a torch and the ability to navigate from one end of the train to the other, the train has been cancelled to the great detriment of my local residents.

Hilariously, these trains are Leyland buses on wheels. They are the original 1985 Leyland national bus, which has been turned into a train, and upgrades are welcomed greatly, but the idea that in the north of the north we are being supported by Northern Rail and that the northern hub goes that way, is genuinely not being felt by local commuters and people who utilise this service.

I am acutely conscious that other colleagues wish to get in. I urge Northern Rail to change its approach, resolve the torchgate problem, increase the capacity on the Hexham line and, generally, address the manifest failure to be flexible. I suggest that the Minister can address this. All the rail companies that we have to deal with as we develop and move forward are not looking at what the customer wants: they are working out what they want to do, not what the customer wants to do. Let me give an isolated, easy example.

A plethora of fans want to support Newcastle United or Sunderland on a match day, including Saturday. People might think that it would be obvious for a rail company to lay on extra trains or carriages to entitle people to do that and travel in the right way, but that is not happening. I urge the Minister to speak to Northern Rail about the extent to which it can become more flexible, so that we can have a better, more functional rail system.

3 pm

Graham Stringer (Blackley and Broughton) (Lab): I will, like the hon. Member for Hexham (Guy Opperman), curtail what I was going to say. I congratulate the hon. Member for Colne Valley (Jason McCartney) on securing the debate and agree with everything that he said. I will not attempt to repeat it, particularly when so many hon. Members want to speak.

It is worth having some context in our debate. There was roughly an 80-year decline in rail services between 1920 and 2000 and, unexpectedly, over the past 10 or 12 years, there has been a dramatic increase in the number of passengers using the railways. I am not sure that the Department for Transport has completely caught up with a system that is expanding, although I accept that it has done so in respect of HS2—I am talking about the rest of the system. The basic way to determine investment decisions during that long decline was to follow congestion, which meant simply putting money into the south-east of England.

When one justification for the huge investment that goes into rail is to close the north-south divide, one can no longer justify, if one ever could, spending 90%-odd of rail investment in London and the south-east. One way to change that is to ensure that the northern hub is completed in one go. I understand that the Treasury is assessing it over the next six to eight weeks. I should like to make the solid case for the whole northern hub going forward, for the reasons that my hon. Friend the Member

for Penistone and Stocksbridge (Angela Smith) and other hon. Members have stated. Detailed points need to be made about why the hub will not be as effective if it does not all go together as one.

I welcomed the previous Secretary of State's statement to go ahead with the Ordsall chord, which is part of the northern hub. But if the whole system does not go together, there will be a reduction in services to Huddersfield, because unless an extra line is put in at Diggle to take the trains past it—I am sure that northern Ministers in the Department will be familiar with the railway lines there—the extra trains on the Ordsall curve will mean a reduction in trains on that route. If such details, including whether the chord will be there if the size of station platforms is not increased, are not dealt with, we will not get the benefit from the investment in the Ordsall chord.

Both in detail and in general terms, now is the time for the Government to say, as they have said, "We are going to try and do something about the north-south divide", and that means investing in the rail system. Half a billion pounds is never a trivial amount, but compared to the amount going into Crossrail it may seem to be. I disagree slightly with my hon. Friend the Member for Penistone and Stocksbridge, because this is not the equivalent of Crossrail. We do not have such an equivalent. This is more the equivalent of Thameslink, which frees up capacity in the south-east, and even there it is still only 10% of the cost of Thameslink.

With a benefit-cost ratio of 4:1, the Government should be grabbing at the scheme. There are potentially 44 million passenger places on 700 trains. There will be enormous economic benefit to the whole of the north of England. I hope that the Minister assures us that she and her colleagues will press the Treasury and ensure that, in the next high level output specifications period, we get the full northern hub scheme.

3.5 pm

Stuart Andrew (Pudsey) (Con): It is a pleasure to serve under your chairmanship, Mr Hood. I congratulate my hon. Friend the Member for Colne Valley (Jason McCartney) on securing this important debate.

We have talked about a number of transport issues in this Chamber in the past two years. It is becoming a regular occurrence that I enjoy immensely. Credit to the Government, because there has, in fairness, been some real investment in infrastructure projects in the north of England, which was sadly lacking for many years. For example, two new rail stations in my constituency have been announced; there is M62 investment; and the south access to Leeds railway station means that there is an opportunity to expand economic development in the south of the city.

HS2 is a real vote of confidence for the north. The Y route was one of the best decisions made, particularly for those of us in Yorkshire. We must not miss that opportunity. We have to plan for its arrival now. Throughout the HS2 debate, many of those opposing it were saying, "Once it comes, it will suck life out of the region." It is important that we get this right and solve that problem before it occurs. I do not want them to be proved right.

We have talked lots about travelling from the north to the south, but we do not seem to talk enough about getting from east to west. My hon. Friend the Member for Milton Keynes South (Iain Stewart) established the all-party group on east-west rail and three days later got funding for it, which is a phenomenal achievement. If we could do the same in the north, we would be grateful.

The economy of the north has changed enormously.

Andrew Percy (Brigg and Goole) (Con): Talk about east-west travel is often about going from Leeds to Manchester, but there is Yorkshire and the Humber beyond—further east. I remind my hon. Friend of connectivity into Hull and, on the south bank, through to Cleethorpes. People in that area are in the golden square of Goole, Cleethorpes, Scunthorpe and Hull. The fact that Network Rail is considering electrification through to Hull is welcome and I hope that the Minister will work hard to achieve it, too.

Stuart Andrew: My hon. Friend never ceases to remind us that Yorkshire goes further east than Leeds. I support his comments.

Karl McCartney: Please do not forget Lincolnshire either, and Lincoln.

Stuart Andrew: It has nothing to do with me; it is up to the Minister.

Thinking about the economy, my constituency comprises old mill towns. The mills have now gone and people now travel much further to go to work. We have excellent, vibrant cities and towns in the north of England. We have a horrible reputation of wearing cloth caps and so on, but some vibrant work is going on.

I am proud that Leeds, Harrogate, York, Wakefield and Bradford are working together in the Leeds city region, ensuring that they are making the best of what we have. The chamber of commerce has now linked together with Leeds and north Yorkshire. But we need to work even more widely, so that Leeds, Liverpool, Manchester, York, Sheffield and Hull can take up the opportunities that are there. However, there is an obstacle: the current network is struggling. There are more passengers on our railways, more cars on our roads and more freight on the motorways. We need to make it easier to get around.

My mother visited me recently and wanted to get over to Chester to see the rest of her family. Trying to plan her journey from Leeds to Chester was ridiculous, because she would have had to make a number of changes and spend a long time on platforms waiting for connecting trains.

Not so long ago, when I went on a Select Committee visit to Wrexham, I thought I would be good and get the train back to Leeds. It took me four and a half hours on five different trains, by which time all the officials from the Select Committee had got back to London. It is ridiculous that I cannot make a journey that would take an hour and a half by car in a similar time on the train.

Iain Stewart (Milton Keynes South) (Con): My hon. Friend touches on an important point, because if we are serious about wanting to achieve a modal shift from car to rail, we have to look at the whole journey time. If I visit him, I can get quickly from Milton Keynes to Manchester by train, but it takes as long again to get from Manchester to Leeds, so it is actually quicker for me to drive up. If we want to achieve that modal shift, we have to look at the whole journey time.

Stuart Andrew: That is exactly why the northern hub is so crucial. It represents a recognition that we have to fuel and drive the economy to help us to rebalance it from public to private. We have already heard about all the benefits from my hon. Friend the Member for Colne Valley, so I will not list them, but it is important to acknowledge that businesses back the proposal. They say that it is essential to their growth and increased prosperity, because they will be able to access bigger markets and attract a wider pool of talent.

We have already said that we do not want to choose between HS2 and the northern hub—we need both. The case for the northern hub is now greater because of the commitment on HS2. Frankly, the north deserves both, and it is an essential part of HS2. The Minister has listened in the past, and we have had new stations, new access and electrification, so I hope that she will listen again. She should be proud of the fact that this issue has united Lancashire and Yorkshire, and the people of the north, in their submission for funding.

3.12 pm

Mrs Louise Ellman (Liverpool, Riverside) (Lab/Co-op): I congratulate the hon. Member for Colne Valley (Jason McCartney) on securing the debate, which comes at an important time. Network Rail is looking in detail at the northern hub proposals. The Government have asked Network Rail to revisit the proposals before any final decisions are taken to ensure that the scheme will bring value for money. It is extremely important that we are able not only to talk about the importance of the northern hub, but to show the degree of cross-party support and the spread of geographical support for this major scheme.

I emphasise the importance of the northern hub as a strategic investment in the north. The proposals came from big, strategic thinking. The three northern regional development agencies came together and thought about how the regional economies could be improved, which led to the setting up of the Northern Way and the development of the schemes for the northern hub. Today we are looking at the detail and reaching the final stages of approval.

The northern hub is about individual projects and individual areas. It is about additional platforms and tracks, and it is hopefully about new trains. It will affect a wide variety of places—Leeds, Liverpool, Manchester, Sheffield, Newcastle and Hull, to name but a few—and it will improve access to Manchester airport. In my constituency, people will be able to get from Liverpool to Manchester in half an hour, and trains to Leeds will take 80 minutes. In addition, there will be more of them. Those are great improvements, which will be of great assistance in developing Liverpool's potential.

The northern hub is about more than simply individual areas, however, important though it is for each area named. It involves investment of half a billion pounds, which will lead to a £4 billion boost for the northern economies, with the potential for the creation of 20,000 to 30,000 jobs. That massive investment of half a billion pounds will have a significant outcome. As hon. Members have mentioned, it lies beside the £14.8 billion investment in Crossrail, just under £5 billion of which comes directly from the Government. A recent study of the regional pattern of investment in transport showed that about three times as much was invested on a per-head basis in transport in the south and south-east as in the north.

David Mowat (Warrington South) (Con): On the point about the difference in spend between the north and the south, the hon. Lady may have seen in the Transport Committee the report from the Institute for Public Policy Research, which evaluates the projects that the Government brought forward in the spending review in the autumn. Infrastructure spending amounted to £30 billion, and the spend per head was £2,700 in London, £134 in the north-west, £200 in Leeds and Humberside, and £5 in the north-east.

Mrs Ellman: I have seen that report. It is significant that we register such great disparities, but it is even more important that we try to do something about them, and the northern hub represents a major opportunity to do that. The Transport Committee has taken a particular interest in the northern hub, which we refer to as an important proposal in our report on transport and the economy and our report on high-speed rail.

The Committee supports high-speed rail, but we registered a number of concerns, including about the importance of ensuring that investment in necessary high-speed rail did not take place at the expense of investment in the existing, classic line. We cited the importance of investing in the northern hub and invited the Government to demonstrate their commitment to investing in the existing line by investing in both the northern hub and high-speed rail. Perhaps they will soon be asked to show their position on the matter and to demonstrate their commitment to investing in the existing line.

Julian Sturdy: The hon. Lady makes a powerful case for HS2, and if we are to make high-speed rail a success, we need investment in the northern hub. If we are to bring passengers up to the north more quickly, do we not also have to ensure that we invest in connectivity so that the system that high-speed rail passengers continue their journey on is not antiquated? Otherwise, the system will not work.

Mrs Ellman: I agree entirely with the hon. Gentleman. We want modern, new rail, not only on the new High Speed 2 line but on existing lines and connections, and investing in the northern hub as a separate project is one way to achieve that.

At the moment, Network Rail is assessing the detail of the northern hub proposals and looking at value for money. That needs to be done, but it is absolutely essential to recognise the strategic importance of this investment in rail in the north. The Government's commitment to rail electrification in the north is much appreciated, but it is not an alternative to proceeding with the northern hub. I await with interest their final decision on the northern hub, and I ask the Minister to assure us that she recognises the strategic importance of investing in the north and to commit to the investment in the northern hub.

3.19 pm

Sitting suspended for a Division in the House.

3.33 pm

On resuming—

Mr Jim Hood (in the Chair): Order. I will be calling the Opposition spokesman no later than 5 minutes to 4 pm The debate will now finish at 4.15 pm, as opposed to 4 o'clock.

Mrs Ellman: Thank you, Mr Hood.

I hope that the Minister can give us an assurance today that she recognises the importance of the northern hub as a strategic transport investment to improve connectivity and economy. I hope that she can give us an additional assurance that, after due consideration, the scheme will be approved.

3.34 pm

John Pugh (Southport) (LD): I congratulate the hon. Member for Colne Valley (Jason McCartney) on stimulating this important debate, and I pay tribute to other contributors, in particular the hon. Member for Blackley and Broughton (Graham Stringer), who has fought a long and relentless battle to get the northern hub on the political agenda. I think it can be accepted that to get Merseyside MPs such as myself and the hon. Member for Liverpool, Riverside (Mrs Ellman) to advocate serious investment in Manchester takes something special, and it is due to a recognition that the Manchester network is a bottleneck for the whole north, affecting Leeds, Sheffield, Chester, Liverpool, Lancashire, Yorkshire and various golden triangles, squares and rectangles as yet unenumerated. The effect on the north is widespread, and my constituents in Southport are affected too; their journeys to Manchester are a nightmare, they suffer overcrowding not only on the train but at the platform in Manchester and they suffer the most appalling stock and the most appalling service.

On 20 October, at the northern rail conference, the Minister said, rather encouragingly, that we were going to get rid of the Pacers. We have heard that refrain before, and people have mentioned cascading stock down and so on, but in reality new trains are found first, foremost and almost exclusively for the south-east. The feeling in the north sometimes is that it is jam tomorrow, and I regard High Speed 2 as jam tomorrow or some way in the distance. Collectively, as northern MPs, however, we all want serious incremental change now. We want the better links with London, which would certainly be a good thing, but currently we desperately need better inter-regional connectivity.

I praise the Government and the Minister for having made a good start. To my great astonishment, we have seen the introduction of new rail in the north-west with the Todmorden curve, and £300 million has been found for electrification and £85 million for the Ordsall chord. The total Government commitment for rail is, however, actually £18 billion, and the whole northern hub project has been costed at £560 million, as Members have said, which puts things in perspective. Hon. Members have pointed out that the benefit-cost ratio exceeds comfortably the figures presented for Crossrail, which is costing about £6 billion. I speak with real bitterness because I was sentenced to two years, for crimes unknown, to serve on the hybrid Crossrail Bill. I was surprised at the many substantial objections to the scheme, which, had it been in the north, would certainly have postponed it, if not altogether eliminated it.

The Secretary of State for Transport has, however, said some encouraging things. She has spoken about investing in 2,700 new carriages throughout the network, but as I pointed out, that will only lead to a weary shrug from the man trapped on the Pacer. I went through some of my e-mails on the subject recently, and I want to refer briefly to two of them. A chap wrote to me in 2008 and said:

> "Regularly there are only two carriages laid on and it is standing room before we have left the station. Breakdowns ...particularly in winter are a feature attraction of the service however given the age of the trains this is unsurprising. When will there be some newer trains on this line?"

Four years later, another e-mail begins wearily:

> "Yet again my journey on a Monday morning has been delayed by over an hour by the poor quality rolling stock used on the Southport to Manchester line...This is on top of the regular short formation of units, which appears to be a Northern Rail buzz phrase"—

a synonym for serious overcrowding.

I therefore welcome the progress that might be made on the northern hub, and we would all like to see more progress. I like the sound of a united or pan-northern approach, which is important, because it has not always been there in previous Parliaments and it is refreshing. Often, the objection to serious infrastructure is the lack of collective political will in an area, but cross-party, substantial and solid political will is clearly present. We do not need a Napoleonic regional mayor to step in and tell us what needs doing. Collectively, as politicians, we have come to the conclusion that this needs doing, and we would just like the Minister to get on with it.

3.39 pm

Julie Hilling (Bolton West) (Lab): I congratulate the hon. Member for Colne Valley (Jason McCartney) on securing this debate, and on his commitment in campaigning for the northern hub. It is wonderful to see so many hon. Members from across the north in the Chamber, and one or two additional supporters who are more than welcome in our fight. As chair of the all-party group on rail in the north, I am pleased to see so many members of the group here. Hon. Members across parties are united on the issue of the northern hub. We are divided only by the Pennines, which are another reason why the whole hub must be united—so that we do not have the perpetual Pennine divide.

The Minister can judge how important the issue is for all of us, and how crucial it is that the whole hub be funded. We will not have the full economic benefit across the whole north if there is a piecemeal approach. I was worried recently when the Secretary of State talked about the welcome electrification of the Manchester-York line as part of the northern hub. I do not want to split hairs, but electrification was always seen as an addition to the hub, and not as the hub itself. It is essential not to lose part of the hub to that electrification, welcome though it is. It is the hub that will hold us all together.

The hub is not glamorous like High Speed 2, but it is essential if we are to tackle overcrowding, increase line speed, reduce journey times and increase services. It is an integral part of High Speed 2. I speak from bitter experience. When Virgin high-frequency trains were

[Julie Hilling]

introduced with three trains an hour from Manchester to London, services to my constituency diminished. The trains terminated at Manchester Victoria, and we lost services to the airport and elsewhere because inter-city trains took the paths that our trains had previously taken. The only way to prevent that in future is to ensure that the engineering works proposed for the hub are carried out.

We will have more trains through and to Manchester, and more trains will connect to the west coast main line. Eventually, trains will connect to High Speed 2. That unglamorous engineering work will provide passing places so that we continue to have slow, stopping services with fast services. It will improve signalling, the Ordsall chord route across Manchester city, and Manchester Victoria station. Any hon. Members who have spent time at that station will know that it is not the nicest in the world, and I as a woman do not feel particularly safe there. There will be improvements at the station, and two new platforms at Manchester Piccadilly.

Such improvements are as important to the north as the shiny new 250 mph train, and will be to the whole economy. Services will not then stop completely at Manchester Piccadilly when the Huddersfield train leaves, because it crosses every train path coming into the station, with the result that nothing else can come in and out. Constituents in Bolton will have a better, faster service, and people at my home station, Atherton, will not have to play sardines on the train, or have long waits at another gruesome station, Salford Crescent. They will be able to join the inter-city lines.

The project will bring £4 of benefit for every pound spent, and will do something to redress the imbalance between spending in the north and south. I do not understand why Londoners should have three times as much taxpayers' money spent on their public transport as our constituents in the north.

Graham Stringer: During the debate I have done some arithmetic, which I believe is right, and which my hon. Friend may be interested in. Three months' expenditure on Crossrail would pay for the whole northern hub. Is that not extraordinary?

Julie Hilling: I thank my hon. Friend for his intervention, which is interesting. It has been interesting during the High Speed 2 debate that people have frowned about putting so much money into the north, and people in the south-west have rightly asked why they are not receiving expenditure. There never seems to be an outcry about expenditure in London. I spend part of my life in London and before becoming an MP, I wanted to come to our capital city. Investment is needed in London, but it is also needed in the regions.

Yasmin Qureshi: I am sure that hon. Members here have no problem with investment in rail projects throughout the country. HS2 has come in at £500 million more expensive than originally projected. The northern hub itself would cost that sort of money. Does my hon. Friend agree that it should not be too difficult to find funding for the northern hub?

Julie Hilling: I thank my hon. Friend for her intervention. Of course, it is not easy to find money, and I agree that it is good that the Government have protected some of the investment in rail. We all welcome that, but the issue is not an either/or. It is not all right to say that we can have part of the hub. If the whole north—the north-west, Yorkshire and Humberside, and the north-east—is to benefit, the whole hub must be developed. I am worried that the approach will be piecemeal.

As hon. Members have said, we need connectivity between our great cities, and the ability to travel across the country. We must consider the cost of having so much road traffic because rail travel is not adequate. As some of us have been saying for some time, it is quicker to drive from Manchester to Leeds than to take the train. It is quicker to drive from Milton Keynes to Leeds than to take the train. That is ludicrous, and we need the project to alter that. Like every hon. Member in the Chamber, I plead with the Minister to fund the northern hub in full, so that we will have rail connectivity between our great cities and receive the investment the north so badly needs.

3.46 pm

Rosie Cooper (West Lancashire) (Lab): It is a pleasure, Mr Hood, to have the opportunity to serve under your chairmanship today. I congratulate the hon. Member for Colne Valley (Jason McCartney) on securing this important debate. It is even more important following the recent announcement to give the go-ahead to High Speed 2. That announcement is a signal of just how important investment in high-speed, efficient rail services is for the future growth of our national and regional economies. I absolutely support the northern hub as an important strategic investment and opportunity.

In that context, I want to be slightly more parochial and to plead that places and communities such as West Lancashire should not be forgotten when planning and investing in our railways. The danger for West Lancashire is that we lose out because of the dominance of the city regions and core cities that act almost as capitals. The effectiveness of such schemes lies in connectivity and the quality of the entire rail network. West Lancashire is virtually at the crossroads of the north-west. If big circles are drawn around Preston, Liverpool and Manchester, West Lancashire is the bit in the middle. My plea in this debate and the wider debate on transport infrastructure investment is not to forget West Lancashire.

Since being elected in 2005, I have campaigned constantly for improved rail infrastructure across all areas of my constituency. My great concern is that places such as West Lancashire are in real danger of falling behind with rail infrastructure. I shall give a couple of brief examples. Skelmersdale is the most populated town in my constituency, but it has no rail service at all. A major redevelopment of the town centre is about to start and is the biggest investment since it was established 50 years ago. We have a brand new state-of-the-art college, and the town has an exciting new future with many opportunities, if people can get there.

The really good news for the north-west is the Lancashire triangle rail electrification, which will be transformational for the north-west. West Lancashire has three lines serving the area, and I ask the Minister to remember that our biggest town, Skelmersdale, has no rail service at all. Delivery of the Lancashire triangle rail electrification will leave West Lancashire in a strange position, because diesel trains will still run in a small area unless more investment is put into the electrification.

If nothing is done, there will be implications on rail development in West Lancashire. For example, the Manchester line carries an increasing number of passengers, with alternate trains going to Victoria and Manchester airport. Transport for Greater Manchester appears to be suggesting that the airport service may be sacrificed in favour of running trains from West Yorkshire and east Manchester to the airport. The Kirkby to Wigan line passes through Up Holland, which would form the basis of a rail station at Skelmersdale. That line was proposed for electrification in the early 1980s, and there is clearly a need to extend the existing Merseyrail service from Liverpool to Kirkby to serve Skelmersdale. That would provide an opportunity to consider a service between Skelmersdale, Wigan and Manchester, and that should be done because it is likely that many of the employment opportunities for those who live in West Lancashire will be found in Liverpool and Manchester.

My third example is the route between Liverpool, Ormskirk and Preston. Ormskirk has a superb service to Liverpool; the line from Ormskirk to Preston has recently received an improved timetable, and Network Rail is examining the business case for an hourly service. There is, however, strong demand to extend the existing Merseyrail service beyond Ormskirk to Burscough and the famous Burscough curves. That would enable an hourly service to Preston to be delivered at low cost.

John Pugh: Does the hon. Lady recognise that the Government are taking a huge step in restoring the Todmorden curve? It shows that they are ready to look at such projects and provides some hope that the Burscough curves will receive serious consideration.

Rosie Cooper: I did not quite hear all of that, but I am hopeful that a service on the Burscough curves will eventually be established. My point is that all three routes that I have mentioned will be operating in an area that is dominated by electric services. Electric trains run only where the line is electrified, so unless the trains have an additional power source that will enable them to continue for some distance, West Lancashire runs the risk of becoming isolated.

As well as the new electric trains on the newly electrified Lancashire triangle—well, not new exactly, but second-hand from the London area—the superb Merseyrail electric network also uses third-rail electrification. If lines in my area are not electrified and with the investment to improve the national and regional rail network infrastructure, my fear is that places such as West Lancashire will be left behind, which we cannot afford for a plethora of social and economic reasons. Such a move would begin to create greater disconnection and disintegration of the rail network. The challenge for me, West Lancashire and, I hope, the Minister is to ensure that West Lancashire does not become ever more isolated as a small island of diesel trains that are not included in the great opportunities and investment that is taking place.

3.53 pm

John Woodcock (Barrow and Furness) (Lab/Co-op): It is an honour to serve under your chairmanship, Mr Hood, and I, too, congratulate the hon. Member for Colne Valley (Jason McCartney) on securing this important debate. How strongly Members from across the north feel about this issue has been highlighted by the strength and number of contributions that we have heard today. It is important that voices from both sides of the Pennines and from otherwise rival areas of Yorkshire and the north-west are heard speaking as one on this issue. Although many of the physical works of the northern hub programme fall to the west of the Pennines, the benefits of the hub would be felt across the whole of the north. I can contribute to that discussion because I am a Sheffield lad whose north-west constituency, although in Cumbria, still harks back to its routes in Lancashire in the old days.

As Members have pointed out, the rail network could play a significant role in securing economic growth in the north of England. As has been highlighted, however, that potential is currently limited by pinch points and other capacity restraints across the network that limit the frequency of trains, raise journey times and reduce reliability. As my hon. Friend the Member for Penistone and Stocksbridge (Angela Smith) said so well, the northern rail network reflects the needs of its 19th-century creators and the rivalries of Victorian railway companies. It is not fit for purpose in the different economic reality of the early 21st century.

Members from all parties have pointed out the benefits that the northern hub could provide, which include 700 extra trains per day running across the north, improved connectivity between major regional economic hubs, which would give those areas a chance to grow still further and provide vital regeneration, and the creation of up to 30,000 jobs.

Improving links between northern cities and the capital is important, which is why the previous Labour Government delivered the upgrade to the west coast main line and why we want a greater commitment to a new high-speed line serving Manchester and Leeds than the Government have given so far. If we are serious about rebalancing the UK economy and driving the growth that will return the country to long-term prosperity, we must not focus simply on travel between regions. Travel within regions, including northern regions, is also important, and that is seen in the strength of feeling and unity that has been displayed during this debate.

There are some positive things. We welcome the electrification and high-speed rail initiatives in which the new Administration are sticking to the commitments made by the previous one. Question marks and concerns remain in certain areas, but perhaps they are for another debate—I would be delighted if such a discussion could be scheduled for the near future.

The Ordsall chord is a useful piece of infrastructure, but as the hon. Member for Colne Valley highlighted, as long as Manchester Piccadilly has just two through platforms—as most hon. Members will be aware, those two platforms are unpleasantly cramped and overcrowded, and frequently cause delays to trains—the ability to use that station to deliver additional journey opportunities will be severely limited.

Announcing the electrification of the route from York to Manchester via Leeds is a positive move, but without the extra lines and loops to allow express trains to overtake stopping services and freight trains, as proposed in the northern hub, it will be hard to deliver extra services or significantly faster journeys. Ministers are obviously right to examine carefully the scope and scale of projects such as the northern hub before approving

[John Woodcock]

them, and it is essential to achieve best value for money. It is also, however, essential that the issues faced by the rail network in the north are addressed strategically and not in a piecemeal fashion.

Now is the time to commit to this scheme. The sooner that it is achieved, the sooner the boost to growth can be felt where it is urgently needed. In their spending priorities, the Government chose to back-load the cuts to rail investment, in contrast to other areas of spending. The bulk of the proposed cuts fall in the final two years of the spending review period, the second of which represents the first year of Network Rail's control period 5, during which the bulk of the northern hub schemes would be delivered.

The Government are committed to finding almost £1.3 billion of efficiency savings and cuts from the Network Rail and passenger rail budgets over the period of the comprehensive spending review, although the National Audit Office has warned, understandably and rightly, that great uncertainty over where the axe will fall still remains. That is why the continued silence on this project is deeply concerning: as we can see, the lean period for rail investment is fast approaching.

Ministers have consistently said that the case for the northern hub is strong. They are well aware of the business case showing a return of £4 for every £1 invested in the scheme. Today's debate has shown that hon. Members of all parties from across the north recognise the necessity of the extra capacity, new links and faster journeys that the northern hub will provide. I therefore hope that the Minister will make it clear that she recognises that, if we deal with the scheme in parts and do not implement the full package, the overall cost-benefit ratio will be significantly diminished. Will she make it clear whether she will commit to the full package of improvements provided by the northern hub project appearing in the high-level output specification for control period 5 when it is published this summer?

It is, of course, also important that the northern hub plans reflect the changing environment on the railways and are delivered on in the most efficient way possible, so can the Minister confirm that the Government are examining whether the package of measures can be revised to deliver equal benefit at potentially lower cost in the light of recent announcements on trans-Pennine electrification?

Confidence that the region's transport infrastructure will be able to cope with the demands placed on it is an essential part of producing the confidence needed to secure investment, jobs and economic growth across the north. The northern hub would help to provide that. That is why we are urging Ministers today to give it their full support.

4.1 pm

The Minister of State, Department for Transport (Mrs Theresa Villiers): It is a pleasure to speak under your chairmanship, Mr Hood. This has been a great debate, and I congratulate my hon. Friend the Member for Colne Valley (Jason McCartney) on securing it. This issue is clearly of great importance to the big turnout of hon. Members who are here today and to their constituents. Throughout my time with the transport brief, both in opposition and in government, I have been impressed by the determination of the MPs and the stakeholders behind the northern hub project. Indeed, one of my first regional visits as Minister was to meet a group of them in Manchester soon after the coalition was formed.

As we have heard today, there is much support for the northern hub project. We heard the gracious support of the Chairman of the Select Committee on Transport, the hon. Member for Liverpool, Riverside (Mrs Ellman), representing the views of her Committee. We also heard support expressed across party lines. There was even trans-Pennine solidarity, which is not something that we get on every issue. I am told that this issue even unites east, west, south and north Yorkshire. Again, not many issues do that. Last but not least, the hon. Member for Southport (John Pugh) commented on how dramatic it was that the issue had united Liverpool and Manchester in support.

I commend the evidence-based approach that those behind the northern hub project have taken in pressing the case for the hub and for improvements in rail and other forms of transport in the north generally. Many hon. Members emphasised the importance of finding ways to bridge the prosperity gap between north and south, and I completely agree that improving our transport infrastructure is an important way to achieve that goal. The Government fully appreciate the economic benefits that improving our transport system can generate. That point was emphasised by many hon. Members: my hon. Friend the Member for Colne Valley, the hon. Member for Blackley and Broughton (Graham Stringer) and my hon. Friend the Member for Hexham (Guy Opperman), to name but a few. We recognise the economic benefits that can be generated by investing in the north specifically as well.

That is why we have placed a priority on improving the rail network even when budgets are severely limited by the pressing need to deal with the deficit. Therefore, as well as going ahead with the high-speed rail network, we have embarked on what is probably the biggest programme of rail improvements since the Victorian era. Those ambitious plans include a number of major projects in the north of England. Many have been mentioned and welcomed today, not least the new stations at Kirkstall Forge and Apperley Bridge, highlighted by my hon. Friend the Member for Pudsey (Stuart Andrew).

Our programme also includes important elements of the northern hub project. As we heard from my hon. Friend the Member for Colne Valley and others, the Ordsall chord is going ahead. That new stretch of railway linking Victoria and Piccadilly—two of Manchester's busiest stations—has been talked about since the 1960s, I am told, and will deliver benefits to the whole of the north of England by substantially reducing journey times between Liverpool and Leeds.

The electrification of the North TransPennine route between Manchester and Leeds through to York and the east coast line will also deliver important benefits. Strictly speaking, that was not part of the original northern hub scheme, but it was prioritised by the rail industry in its initial plan, which it drew up recently. The combined effect of North TransPennine electrification, the Ordsall chord and line-speed improvements that are already part of the CP4 programme will see journey times between Liverpool and Newcastle cut by as much as 45 minutes.

These programmes are already starting to provide the improved connectivity within the region, between the cities of the north of England, that many hon. Members have rightly highlighted as crucial if the economy in the north is to flourish. The hon. Member for Penistone and Stocksbridge (Angela Smith), and my hon. Friends the Members for Pudsey and for Milton Keynes South (Iain Stewart) emphasised that point. The improvements will also promote the modal shift that a number of hon. Members highlighted as important.

Virtually every hon. Member who spoke emphasised the importance to the northern economy of implementing the package in full during the 2014-2019 railway control period. Those hon. Members included the hon. Member for Bolton West (Julie Hilling), who is the chairman of the all-party group on rail in the north, my hon. Friend the Member for Colne Valley and the hon. Member for Blackley and Broughton.

As the hon. Member for Liverpool, Riverside, the Chairman of the Select Committee, acknowledged, Network Rail is as we speak considering in detail all the remaining elements of the hub that have yet to be funded. The Government have asked it to do that to assist us in the decisions that we will make in the summer. There are about nine individual packages. Network Rail is considering, at a more detailed level, the business case for the whole project, as well as for all those nine individual elements. This is, therefore, a timely debate—a good opportunity for the House to contribute to the Government's thinking on this matter.

Julie Hilling: I am slightly puzzled. The argument is that the whole of the hub gives the 4:1 benefit ratio. There is a possibility, of course, that one little place may give less benefit than another bit, but all together the benefit ratio is 4:1. Given what the Minister is saying, is there a risk that a part that has a lower cost-value ratio but still a value will be overlooked?

Mrs Villiers: As I said, we have asked Network Rail to consider in greater detail the value-for-money case for the whole project—all elements of it—because we believe that it is very important to consider very thoroughly all the elements of the northern hub. That view is confirmed by the strong support expressed by hon. Members today.

With input from train operators and the passenger transport executives, Network Rail needs to establish the impact that North TransPennine electrification will have on the original hub proposals. It may be that the eventual package put forward by Network Rail, the industry and the PTEs to achieve the goals of the northern hub is somewhat different from the original 2009 proposals. We will obviously have to consider carefully the input that we get from the industry groups and from the PTEs in the relevant areas before we make final decisions on the matter. I fully appreciate how much support there is for going ahead with the whole package and I fully appreciate the benefits that it could deliver. I can assure the House that the Government will consider the northern hub package as a whole as well as its individual elements when we make our decisions on HLOS2 and the CP5 period this summer.

My hon. Friend the Member for Colne Valley wanted me to pre-empt that process and make the decision today. I am afraid that I will have to disappoint him, but I can assure him that we will consider the matter with great care in the run-up to our announcement on HLOS2 and the CP5 period in the summer. Whether we can fund the whole programme in CP5 depends on what is affordable within available budgets. We will also need to assess the case for improvements elsewhere in the country to determine which projects can be given priority. Of course we want to fund as many projects that promote economic growth as possible, but we also need to ensure that the Government's overall finances are not overstretched in these difficult times. Given the competing demands on limited taxpayer funding, it is vital that the overall cost of running the railways and the cost of such upgrades come down. If we can achieve the kind of savings that Sir Ray McNulty said were possible in his report last year, it will become much easier to deliver the improvements that passengers want.

We will be publishing a Command Paper on the reform that we need to see costs come down on the railways, thus improving value for money for both passengers and taxpayers. The more inefficiency that we can take out of the railways, the greater the scope for delivering infrastructure upgrades and additional services.

Naturally, today's debate has focused primarily on improvements to the conventional rail network in the north. The projects that we have given the go-ahead to in the north will complement our proposals on high-speed rail. I welcome the support that has been expressed today by a number of hon. Members for the Government's high-speed rail proposals. The Secretary of State for Transport was very clear that her decision was to go ahead with the whole Y network to Manchester and Leeds and not just the London to Birmingham leg. HS2 can potentially complement the improvement of local and regional services. For example, Centro produced an analysis that said that the benefits of HS2 to Birmingham could be significantly increased, with improvements to the local and regional transport network in the west midlands. It is quite important to consider whether the commitment to the Y network to the north of England might further strengthen the case for the northern hub package because of its potential to spread the benefits of high-speed rail more quickly and more widely around the north of England.

In the last few minutes available to me, I want to pick up on some of the more specific questions raised in the debate today. My hon. Friend the Member for Colne Valley expressed concern about the future of services to Mossley, Greenfield, Marsden and Slaithwaite. Before the announcement on the electrification of the North TransPennine route, some suggestions were made on the future of those services and whether some stations between Stalybridge and Huddersfield might end up with fewer stops. The electrification announcement means that Network Rail will need to review this matter and the capacity on the route. My hon. Friend made it clear that no decision on this has been made as yet. It will not be made for some time and it will be made only after an appropriate public consultation.

The hon. Member for Penistone and Stocksbridge has again called for the reopening of the Woodhead route. I have to say that that was not one that was prioritised as part of the northern hub because of the capacity that is still available on the Hope Valley line.

[Mrs Villiers]

My hon. Friend the Member for Hexham and the hon. Members for Southport and for Blackley and Broughton all expressed concern about crowding in the north of England and the balance of spending between north and south. I remind the House of the importance of the additional capacity that the Government are introducing through the HLOS programme.

The northern hub has achieved a significant amount of support. I commend the evidence that has been produced by the supporters of the project. It will be useful to the Government when they make their decision. We will be listening with care to the views of all those in the north of England who are promoting this project when we make our decisions on what rail upgrade we can take forward in the next railway control period.

Melanoma

4.15 pm

Pauline Latham (Mid Derbyshire) (Con): It is a pleasure to serve under your chairmanship, Mr Hood, and I am grateful to Mr Speaker for selecting this important topic for debate. According to the *British Journal of Cancer*, the incidence of the most serious form of skin cancer, melanoma, is expected to rise by 52% in both men and women by 2030. One of the many tragic aspects of advanced melanoma is that, compared with other cancers, it disproportionally affects younger people. Indeed, more than a third of all cases of melanoma affect people who are under the age of 55. With such a high incidence, combined with the aggressive nature of melanoma, treatment options are very important.

I want to draw attention to the new and innovative drug, ipilimumab, also known under the trade name of Yervoy. Ipilimumab works in a new and unique way through a form of immunotherapy. It encourages the immune system to produce more cancer-killing cells. The drug is significant, and it has not been available to patients before.

In July last year, ipilimumab was launched in the UK with a licence approved by the European Medicines Agency. This is the first major advance for treatment of this cancer in 30 years. However, to the disappointment of patients and stakeholders, the National Institute for Health and Clinical Excellence announced on 14 October that it would not be recommending ipilimumab for the treatment of advanced melanoma on the NHS. I was profoundly disappointed to discover that the chief executive of NICE, Andrew Dillon, had deemed that this treatment was not

"a cost effective use of NHS resources."

In response to that news, I held a stakeholder investigation in the Houses of Parliament and invited patients, carers, clinicians, charities—they included the patient support group, Factor 50, and the Karen Clifford Skin Cancer charity, also known as Skcin—and parliamentarians to come together and discuss their personal concerns about the negative preliminary guidance that was given by NICE.

Rehman Chishti (Gillingham and Rainham) (Con): My hon. Friend mentioned that this disease affects younger people to a greater extent. One of my constituents, who is young and has young children, needs the drug Yervoy, which is expensive. Does she agree that we need to do everything that we can to ensure that those young children can see their mother for a longer period and that her last days are not lost days?

Pauline Latham: I completely agree with my hon. Friend, and I will come on to some cases in a moment. It is a very important point.

As well as coming together to share our concerns, the meeting was held to create a report that was submitted to NICE in response to the appraisal consultation document, in anticipation that it would be considered ahead of the NICE technology appraisal meeting, which took place on 16 November. We have had no response so far.

When holding the meeting on advanced melanoma, I was given the opportunity to hear first hand from melanoma patients, who are desperate to receive the drug. Melanoma often strikes at the younger end of the

population. More than a third of all cases of melanoma occur in people below the age of 55, and it is the second most common form of cancer in the UK for those aged between 15 and 34. What those statistics on advanced melanoma in the younger population do not show is that many people in that age group will have children and so will face a very aggressive cancer, alongside the knowledge that they face leaving behind their children and family.

The patients whom I met at the meeting all echoed a simple and profound point: they are desperate to stay alive, so that they can be with their children, husbands, wives, partners and families. Given that treatment options for the disease have not advanced for three decades, how can it be fair not to release the drug for use by those patients who could have more time with their families? One young patient—a lady aged only 30—said at the meeting:

"I need to live. I have to live for my children. I just want a few more years so that my boys will remember me."

Richard Clifford, the founder and trustee of the Karen Clifford Skin Cancer charity—Skcin—said at the meeting that

"median overall survival time after diagnosis is six to nine months. This is tragic because people have little time to prepare themselves and their loved ones for what is inevitably going to occur."

I could not agree more with his sentiments. There is clearly an unmet need in the treatments available, and I believe that ipilimumab has a place in today's treatment options, which are already scarce for cases of malignant melanoma. An experienced oncologist from Leeds who has used ipilimumab echoed that view at the meeting:

"It is the first drug that can help people live longer or make them more likely to be active for a meaningful period of time."

I add a personal plea for help: my brother died from a malignant melanoma 11 years ago this month at the age of 54, one week after his birthday, leaving his wife and two teenage children. I know how debilitating this form of cancer is and how quickly it can spread. Apart from radical surgery, he had very few options in terms of the drugs on offer. As a result of Michael's illness and death, I see my GP regularly, and I have had several pre-cancerous areas removed before they had the chance to progress to malignancy.

Jeremy Lefroy (Stafford) (Con): I congratulate my hon. Friend on raising this important issue. As someone with very fair skin, I have had to have skin removed and examined, so I understand the potential consequences and the worry that people go through. Does she agree that we need more education about the consequences for fair-skinned people and, indeed, everyone of too much exposure to the sun and the overuse of sunbeds?

Pauline Latham: Yes, and I thank my hon. Friend for bringing that up. Sunbeds are still a problem, particularly among young women who think that having a tan makes them look healthier.

Jim Shannon (Strangford) (DUP): I congratulate the hon. Lady on bringing this matter before the House. Skin cancer is the deadliest cancer in Northern Ireland, and that is very worrying. The hon. Member for Stafford (Jeremy Lefroy) mentioned sunbeds. People under the age of 35 who use sunbeds increase their possibility of getting skin cancer. What does the hon. Lady think can be done? Does she think that councils need to do more? Councils have control of sunbeds, so perhaps they need to say, "No more."

Pauline Latham: Yes, I would like that to happen. Looking tanned does not mean that someone is healthy. In fact, tanning increases the risk of malignant melanomas, which are rapid killers, and I would like councils to have the strength to say, "No."

It may be expensive to prescribe the drug, but it is the first advance in treatment for a long time, and if used, may offer the opportunity of more trials to refine it, which could lead to its becoming even more effective. For young people with melanomas, it is a lifeline, even if they only survive for a relatively short time. Let us not forget the possibility that agencies, such as social services, and welfare benefits can cost the country huge sums if the remaining parent has to give up their career to look after a young family. Patients with this aggressive disease are expected to have a median overall survival time of six to nine months, but in trials, 46% of patients taking ipilimumab were still alive after a year, and in some cases, patients can live even longer.

At the stakeholder's meeting on 8 November, we heard from a patient called Ian. He seemed well, spoke eloquently and raised many important points on access to treatment, which I urge hon. Members to read in the report that we submitted to NICE—I am happy to provide a copy. Sadly, before 21 December 2011, Ian became very unwell and was ultimately bedridden. The short time between Ian attending the meeting in November and his death a week ago demonstrates the aggressive nature of advanced melanomas.

Lack of access to the drug is still a major concern to all melanoma patients and, of course, to their families and friends. It is very distressing for them to know that there is a drug on the market that has been proven to prolong the lives of sufferers, if even for only a few months or years, yet they cannot access it through the normal channels. I acknowledge that ipilimumab is available in some parts of England through the cancer drugs fund, but it is not available in all areas, and the fund does not even exist in Wales—yet another example of inequality from the cancer drugs fund and another illustration of a postcode lottery.

Chris Skidmore (Kingswood) (Con): On my hon. Friend's point about a postcode lottery and regional variation, I think that she will be interested in figures that I recently obtained through a parliamentary question. They break down the number of registrations of newly diagnosed cases of melanoma—skin cancer—by local authority and region. I would happily give her a copy. In my region of Avon, Somerset and Wiltshire, there has been an explosion of newly diagnosed cases of skin cancer, from 254 in 1999 to 455 in 2008—an increase of 79%. The huge variation across the country shows that this is not just about the future, but that we have a problem now that we must urgently tackle.

Pauline Latham: Yes, I agree. I thank my hon. Friend for raising that point, because although we are talking about a big increase by 2030, he is right that melanomas are affecting more and more people, particularly the young, and they are usually a death sentence.

[Pauline Latham]

What will happen to those patients in areas covered by the cancer drugs fund who can access ipilimumab through the fund when funding ends in 2014? That further illustrates why it is imperative that NICE recommends ipilimumab, so that it is available across England and Wales to all patients who could benefit from it. The Minister knows that my concerns about access to treatments for other cancers—for example, Avastin as second-line treatment for bowel cancer via the cancer drugs fund—are well versed through parliamentary questions and speeches in the Chamber. I remain equally determined to ensure the availability to cancer patients of other life-prolonging drugs, such as ipilimumab.

Alongside Factor 50 and Skcin, I urge in the strongest possible terms that the Department of Health, the manufacturers and NICE work together, so that ipilimumab is available to appropriate patients across England and Wales. There are huge concerns that, without a positive decision on ipilimumab, patients will lose out on a lifeline to have those extra months or even years with their loved ones.

4.28 pm

The Minister of State, Department of Health (Paul Burstow): I congratulate my hon. Friend the Member for Mid Derbyshire (Pauline Latham) on securing the debate and bringing this important issue to the attention of the House today, and on the way she set out the issue and spoke of her experiences and of those whom she represents. She powerfully made the case for the drug and, more generally, for the need to raise awareness in order to educate people and to ensure they take the right steps better to protect themselves from melanomas.

I want to make it clear that the Government's commitment to improving outcomes for cancer patients, including people with malignant melanoma—the most serious form of skin cancer, as my hon. Friend said—remains unwavering. Our cancer outcomes strategy, which we published just a year ago, sets out our aims for delivering health care outcomes as good as those anywhere in the world. Our ambition is to reduce significantly the number of deaths from preventable and avoidable cancers. The strategy sets out actions to tackle preventable cancer incidence, improve the quality and efficiency of cancer treatment and services, improve patients' experience of care, and improve the quality of life for cancer survivors.

I will start with prevention, to which some reference has already been made, because it is the really important aspect of this issue. Cancer Research UK has been running the SunSmart campaign on behalf of the Department of Health for a number of years. It is a national campaign that provides information and advice about skin cancer and sun protection, and it has a particular focus on young people aged 16 to 24, for the very reasons that my hon. Friend rightly mentioned. Its major activity in 2011 was a bespoke marketing partnership with T4 on the Beach, which is a popular music festival, I am told. At the event, about 3,225 people in the target audience were directly engaged by the campaign, and the evaluation showed that those who saw the T4 SunSmart campaign were more likely to report that they would wear sunscreen in the future—72%, compared with 52%. Clearly, there are lessons to learn from that for future campaigns in this area.

In reference to the intervention by my hon. Friend the Member for Stafford (Jeremy Lefroy), my hon. Friend the Member for Mid Derbyshire talked about sunbeds, and I draw her attention to the Sunbeds (Regulation) Act 2010, which came into force last April, making it an offence for sunbed businesses in England and Wales to permit people under the age of 18 to use sunbeds on their commercial premises. To reinforce that, we have been working with Cancer Research UK through the Department-funded "R UV Ugly?" campaign to raise awareness of the dangers of sunbeds and the benefits of skin checks. The campaign is being run in partnership with the company sk:n, which is providing free ultraviolet scans in its clinics across the UK.

That brings me on to early diagnosis, which is the next step in the process.

Jim Shannon: I intervened earlier on the hon. Member for Mid Derbyshire (Pauline Latham), regarding councils sometimes needing to be more aware of what they can do. Has the Minister any intention of asking councils to be more proactive in preventing sunbed use? That is perhaps a key question.

Paul Burstow: In England, one of the opportunities coming up as a result of the Health and Social Care Bill is the transfer of public health responsibilities to local authorities. Alongside the authorities' other responsibilities for environmental health and trading standards, that brings both enforcement and education opportunities, which will be very important in making the existing regulations even more effective.

Earlier diagnosis is central to the strategy the Government have laid out, because if we catch more cancers earlier they will become more treatable. The SunSmart campaign has a website that provides information about how to spot the symptoms of the disease, and during 2011 it received more than 11,000 visits per month on average, peaking in June, surprisingly, with more than 21,000 visits. With a programme grant from the Department of Health, Cancer Research UK and the British Association of Dermatologists are working together on a toolkit to provide practical online support and training to help GPs with pattern recognition for skin lesions. The toolkit will be piloted early this year, before a planned national roll-out, building on the evidence base.

That leads me on to treatment. Once skin cancer is diagnosed, access to appropriate treatment, delivered to a high standard, is critical. Increasing access to cancer treatments is a goal that all Members who have contributed, or are listening, to the debate share. I pay tribute to my hon. Friend the Member for Mid Derbyshire for her campaigning work on behalf of a number of her constituents and other people, and I would like to set out the current situation in relation to ipilimumab. I am struggling with the pronunciation of that word, and I apologise; I do not in any way wish to denigrate the issue. It is really important to explain where we are, because the drug is being appraised by NICE for use in the treatment of stage 3 and stage 4 malignant melanoma. NICE has a rather difficult job, and my hon. Friend has fairly described the challenge it faces in coming to its judgments. NICE's role is to provide the NHS with robust, evidence-based guidance on whether a drug should be available, on clinical and cost-effectiveness grounds. I would like to reassure my hon. Friend that

NICE recognises that its work has genuine consequences and has an impact on individuals' lives. It makes a great effort to ensure that clinicians, patients, and anyone with an interest is involved in its work. I will forward my hon. Friend's speech to NICE and ensure that it sees it.

NICE published its draft guidance on both the clinical and cost-effectiveness of ipilimumab last October. My hon. Friend has explained that the document does not recommend the use of the drug by the NHS, and she has described, in no uncertain terms, the dismay and disappointment that she and others feel on behalf of the families and the sufferers. However, NICE has not yet finalised its guidance to the NHS, and I am sure that Members will appreciate that, because NICE is an independent body, it would not be appropriate for me to dictate to or direct it. What I can tell Members—I hope this will be at least a glimmer of light—is that Bristol-Myers Squibb, the manufacturer of the drug, has proposed a patient access scheme, and the Department has agreed that NICE can consider it. I understand that NICE will now ask its appraisal committee to consider the scheme as part of its reconsideration of the drug.

Until NICE publishes its final guidance, PCTs are responsible for making funds available on the basis of individual needs in their local populations. There is no excuse at this point for PCTs not to do that, and patients have a right under the NHS constitution to expect local decisions about the funding of medicines and treatments to be made rationally, following proper consideration of all the evidence. In addition, where a treatment is not normally funded, PCTs are required to have processes in place to consider exceptional funding requests if a doctor feels that a particular patient's exceptional clinical circumstances would warrant such funding. To help PCTs make these difficult decisions, the Department has issued a set of core principles that should govern them.

That is the current regime, and when this Government came into office they decided to go further, as part of their coalition programme. We are delivering on a promise in our programme for Government to create a cancer drugs fund. In the first year of the fund we have provided £50 million, and from 2010 through to the end of the fund there will be £600 million. I will say a bit more later about what happens after the fund ends.

Rehman Chishti: It is great to hear the Minister saying that we are looking to ensure that people can get new drugs, such as Yervoy. Does he agree that we must also ensure that PCTs, local authorities and the voluntary sector provide excellent palliative care to the terminally ill?

Paul Burstow: My hon. Friend makes a very important point. He will know that we received the recommendations of the palliative care review last year, and we are looking forward to making announcements on it in the near future.

The cancer drugs fund means that clinicians in England are now able to prescribe cancer drugs from which they feel patients would benefit, without restrictions simply on cost grounds. That goes back to the absolutely correct point made earlier by my hon. Friend the Member for Gillingham and Rainham (Rehman Chishti) about adding years, months and days to a person's life, and ensuring that those days are not lost.

Up until last November, 10,000 cancer patients had benefited from the cancer drugs fund and clinical recommendations, with a number of them receiving ipilimumab through the fund. Strategic health authority regional clinical panels are using their clinical judgment. I understand the concern raised by my hon. Friend the Member for Mid Derbyshire about variation, but we are assured that there is consistency between areas, and if there is any evidence to the contrary, I urge her to share it with the Department so that we can pursue that.

On the cancer drugs fund in Wales, the devolved Administration have to make their own judgment about how to prioritise NHS spending, and in contrast to the UK Administration they have decided to reduce spending on the NHS.

My hon. Friend also asked about the future arrangements when the cancer drugs fund finishes. We want to find a way for patients who benefit from drugs provided through the fund to continue to do so, at a cost that represents value to the NHS and to our wider society. We are considering whether it would be sensible, after the fund comes to an end in 2014, to assess some of the drugs, including the one we are debating, under the new value-based pricing arrangements. A final decision has not yet been made on that, but I will certainly write to my hon. Friend as we get to a conclusion.

My hon. Friend drew attention to the potential wider costs of cancers such as melanoma. As we develop our value-based pricing system, it is important that we ensure that those wider costs are taken into account. We want a more systematic and transparent way of working, so that interested parties, including pharmaceutical companies, charities, Members of Parliament and the general public, are clear in advance about what factors can be taken into account and what supporting evidence will be needed.

I thank my hon. Friend for raising this issue. I hope that a glimmer of hope is provided by a new scheme that could allow NICE to re-appraise the drug and come to a different conclusion. We will now wait to see how NICE proceeds. It is absolutely right to use parliamentary opportunities such as this to raise awareness. It is by raising awareness that we will save lives, which is the bottom line.

Female Employment (Scotland)

4.40 pm

Ann McKechin (Glasgow North) (Lab): As you will be aware, Mr Hood, Scotland has been much in the news during the past couple of weeks, but I will focus on the real world experienced by its citizens and the new challenges that are emerging, rather than fixate on a process story that fascinates only a small minority of our population but looks set to continue for many days, weeks and months to come.

One major feature of the post-war era has been women's increasing economic power and growing participation in the workplace. Women are better educated than ever, and girls outperform boys at school and their male colleagues at university. They now populate the ranks of middle management. More than 45% of solicitors in the UK now are women, and it is predicted that by 2017, there will be more female doctors than male. Even during the economic downturns of the 1980s and 1990s, female employment levels were not substantially dented, possibly because women dominated many low-paid and part-time jobs, as they still do today.

However, the current economic downturn has created a serious and potentially permanent shift in the jobs market. Not only has it halted women's progress in the workplace and our economy more generally, but it risks putting it into reverse. We urgently need greater analysis and a determined political will to ensure that women, who make up the majority of our population, do not find their opportunities for advancement crushed.

The problem exists on either side of the border, but regrettably, in some cases, the position in Scotland is worse than overall UK average, as I will highlight. I have been concerned about it for many months. That is why, along with women from business, academia and the trade union movement, I called last year on the Select Committee on Scottish Affairs and committees at Holyrood to carry out specific investigations so that we can examine the issue in further detail.

Although there is an understandable focus on the worryingly high youth unemployment—today's figures showed the extent of the problem—the number of women claiming unemployment benefits in Scotland increased by more than 15% between November 2010 and the end of 2011, rising from 36,300 to 42,100. By contrast, the male claimant count rose by only 1% during the same period. Our female unemployment rate is now at its highest in more than 23 years. When the Scottish Government were asked in December to comment on those figures, their response was that the rate of female unemployment remained lower than the UK average. Funnily enough, that was their response at the start of last year to the general unemployment rate: that is, until the comparison started to go in the opposite direction, when they stopped mentioning it at all.

Dr Eilidh Whiteford (Banff and Buchan) (SNP): I congratulate the hon. Lady on securing this debate. I only regret that it is such a short opportunity to discuss this extremely important issue. Does she accept that, although there is no complacency in Scotland about any sort of unemployment, the fact that female employment in Scotland has been consistently higher than the UK average must also be taken into consideration? That must be included in the context of understanding why our female unemployment is at the level it is.

Ann McKechin: With respect to the hon. Lady, to a woman in a low-paid job who has just been made redundant, comparative unemployment levels south and north of the border are immaterial; the problem is that she has lost her income. That is complacency and political gamesmanship. People who face job loss require a much better answer.

Dr Whiteford: Will the hon. Lady give way?

Ann McKechin: I am sorry, but I wish to make progress and give the Minister an opportunity to respond.

The result of this lack of action is now showing in our economy. A TUC report last month showed that long-term unemployment is rising faster in Scotland than in any other nation or region of the UK, and that Scotland has eight of the 10 local authority areas showing the largest percentage increases in long-term unemployment over the past year. Last year, more than 26,000 Scots spent their second Christmas in a row on the dole.

Sadly, it is likely that the rate of female unemployment in Scotland will increase. Women hold about two thirds of jobs in the public sector, and job reductions north of the border are occurring somewhat later than in England. Unfortunately, 2012 looks likely to be a bleak year for everyone, regardless of where in the United Kingdom they live. There are still substantial job cuts to come in the public sector, where women dominate. TUC analysis shows that an estimated 70,225 public sector jobs in Scotland will be cut between now and 2017.

Dr Whiteford: I am grateful to the hon. Lady for giving way and conscious of her time. Will she at least acknowledge that, given the concentration of women in low-paid jobs in Scotland, and the dominance of women in the public sector, the single best thing that has happened has been the introduction of a living wage in those parts of Scotland's public sector for which the Scottish Government are responsible? That living wage, and a guaranteed pay increase for people on low wages in Scotland, will benefit women disproportionately.

Ann McKechin: I certainly agree that the living wage is an excellent way to address issues of low pay. That is why I am delighted that Glasgow city council led the way on that matter. I note that qualification, but it is regrettable that the Scottish Government have not insisted that all employees of local authorities and public agencies in Scotland—not just civil servants, who are by far the minority of public servants in Scotland—also be paid a living wage if they are on low salaries.

There is more evidence that, unlike in previous recessions, men are now more willing to take on part-time work, which again has historically been female-dominated, or work in sectors such as retail and caring. The Scottish Trades Union Congress pointed out the growing problem of under-employment in a comprehensive study in September. It estimates that, in Scotland, more than 17% of the working-age population are either unemployed or under-employed: that is, working part-time but seeking full-time employment. That equates to more than 460,000 Scots who are currently unable to access the quality full-time work opportunities necessary to provide a decent standard of living for themselves and their families. The STUC's latest analysis for December increased that

figure to more than 500,000. More and more Scots must rely for lengthy periods on a string of temporary contracts, agency work and the much-abused zero hours contracts. Such working arrangements form an increasing slice of low-paid work in which, again, women are the clear majority.

Both the UK and Scottish Governments are obliged by the Equality Act 2010, passed by the last Labour Government, to give due consideration to the implications for gender equality of their policies. So far, the lack of rigorous gender impact assessment of the many complex changes made over the last year has pushed many women into substantial economic hardship. The Institute for Fiscal Studies report commissioned by the Fawcett Society last July revealed that, overall, single female households will be significantly harder hit during 2010-2015, in terms of net income loss, than their male equivalents, largely because more than 92% of lone parents in this country are women. Although the female rate of unemployment is still lower than the male rate, the impact of female unemployment can often be more considerable. For example, it has more effect on children living in single-parent households.

An analysis of the June 2010 Budget by the House of Commons Library found that women will pay roughly 72% of the net cost of the changes in taxes, benefits and tax credits set out in the Budget. The subsequent comprehensive spending reviews in 2010 and 2011 ushered in further cuts and welfare reforms that have shifted yet more of the burden on to women and families. Of the £18.3 billion a year raised through net direct tax, pay and pension changes since the 2010 election, £13.2 billion comes from women. The Institute for Fiscal Studies has calculated that, as a direct result of the UK Government's tax and benefit changes, the average family of four will see a deduction in their income of £1,250 per annum by 2015.

Both Governments accept the argument that good-quality and affordable child care is key to allowing many women to fully access the jobs market. It should be a matter for serious concern that Scotland has the highest child care costs in the United Kingdom, and the UK Government have compounded the problem by cutting the proportion of child care costs that are covered for families eligible for working tax credit from 80% to 70%. Research published by Aviva last summer shows that, already, thousands of women have left the workplace to look after families because work is increasingly considered to be uneconomical.

In November, *The Scotsman* reported that the number of Scottish youngsters attending child care services has fallen after a quarter of registered crèches closed in two years. A number of holiday play schemes, out-of-school clubs, play groups and children and family centres have also shut their doors, as cuts to public services hit harder. In October, the Scottish Government launched a new fund for child care projects, but £1.5 million over three years for the whole country is grossly inadequate if we are serious about our children's future and the ability of their mothers to work their families out of poverty.

As well as the failure to assess the impact of current policies on women over the next few years, there is also an urgent need to assess where women will be in any new economy.

Dame Anne Begg (Aberdeen South) (Lab): Does my hon. Friend think that there is a correlation between the increase in female unemployment and the increase in child poverty?

Ann McKechin: I agree with my hon. Friend, who is an expert in this area, that there is a direct correlation. It is no surprise that there is an increase in child poverty at the same time as that in female unemployment, even though both Governments have a statutory duty to make sure that they reach demanding targets. That is another good reason why this issue needs to be addressed.

We need to assess where women will be in any new economy over the next few years. That economy will apparently be less reliant on the service sector and will involve the engagement of a greater proportion of the work force in science, engineering and technology occupations, both at graduate and, just as importantly, college and craft levels. Although women make up more than 45% of the UK work force, they remain under-represented in those SET occupations. In 2010, only 12% of all SET employees were female, and the UK has the lowest proportion of female engineering professionals in the European Union, at just less than 9%. Gender segregation is especially extreme in SET skilled trades, such as electrical work, with women forming roughly 1% of the work force. It is deeply regrettable that the UK Government have stopped funding the UK Resource Centre for Women in Science, Engineering and Technology. That has been handed over to the Royal Society and the Royal Academy of Engineering. I have nothing against either of those eminent institutions, but they are not accountable to our electorate or to this Parliament, and their fellowships are both more than 90% male.

Scotland is rightly proud of its scientific and engineering history and its strong academic reputation, but why is there utter silence apparently on the role of women? A look at the Scottish media might point us towards one of the sources of the problem. Not one of our main Scottish print titles has a female editor, and there are very few female journalists in news. The vast majority of columnists and bloggers are male, too. Even the BBC is not without fault. During last year's Scottish Parliament election campaign, "Newsnight Scotland" ran an entire extended half-hour programme with a panel of eight men and a male presenter. That is not an exception, but too often it is the norm. In too many areas of our public life—the media being just one example—the rate of increase in female representation remains stubbornly low, and without proper focus it can easily fall back.

I am pleased that the Royal Society of Edinburgh, with the involvement of Professor Anne Glover, the chief scientific adviser for Scotland, has established a working group to develop a cohesive and comprehensive strategy for Scotland to increase both the proportion of women in the science, technology, engineering and maths work force, and the number who rise to senior positions in universities, institutes and business. The report is due shortly and I hope that both Governments will give it the attention it deserves.

As I mentioned earlier, the picture in non-graduate STEM employment is even grimmer, and I am struck by how few public agencies in Scotland have given this any attention, but, given that we have only three female council leaders out of 32 in Scotland, should we be surprised? I have been impressed by the good example

[Ann McKechin]

set by the Olympic Delivery Authority in its procurement processes. It introduced a business charter for inclusion, which, as well as pushing contractors to do more, also, crucially, provided them and their employees with support and training. The charter rightly calls for diversity and inclusion to be at the heart of an organisation's culture, including the way in which it recruits and treats its own staff. The impact of that initiative has been considerable. As of last year, more than 1,000 women were directly involved in the construction work on the site. Can hon. Members imagine if we could reach those sorts of levels with the forthcoming work on the new Forth road bridge? The question we need to ask in Scotland is: why are we so far behind the curve?

This is an example of how Government—national and local—can help to change culture and practice. I believe that even in the toughest of economic times it is not impossible to look at, first, an action plan to combat women's unemployment, and secondly, a nationwide code of conduct in the public, private and voluntary sectors driven by public procurement to increase diversity. My challenge to both Administrations is to start working together now in 2012 for a fair work arena for women, because we deserve it.

4.56 pm

The Parliamentary Under-Secretary of State for Scotland (David Mundell): It is a pleasure, Mr Hood, to serve under the chairmanship of a constituent. I congratulate the hon. Member for Glasgow North (Ann McKechin) on securing this debate about female employment trends in Scotland. It is one of a number of debates relating specifically to Scotland that have been held recently in both Westminster Hall and the main Chamber, and such debates are welcome. Following on from some of the hon. Lady's remarks, I congratulate Johann Lamont on becoming the leader of the Scottish Labour party, which relates to the hon. Lady's arguments. Moreover, at the end of last year, my colleague Ruth Davidson became the leader of the Scottish Conservative party, so the political process in Scotland has some female leadership. I am sure that both ladies will bring significant influence to bear in the months ahead.

The fight against unemployment is a priority for the UK Government. We are committed to getting Scots off benefits and into the workplace. Work remains the best and most sustainable route out of poverty. The UK Government have measures in place to support all claimants to find work. These measures are not gender specific. We want women and men to get the job opportunities that they need.

Nevertheless, this challenge must be set against the context of the UK recovering from the biggest financial crisis for generations and the deepest recession of almost all major economies. The uncertainty and instability in the eurozone area, where unemployment is higher than in the UK,. continue to have a chilling effect on our economy.

Despite the difficult environment, we are still trying to help women. Many of the 90,000 Scots who have been lifted out of tax at the lowest end are women. The measures that we are taking on additional child care are helping women south of the border, with Barnett consequentials for Scotland. At the same time, our reforms of public service sector pensions will mean that lower-paid public sector employees, including many women, will get better pensions. On top of this, the UK Government have announced new support for women's enterprise, with funding to provide 5,000 mentors for new and existing female entrepreneurs. Similarly, the establishment of the Women's Business Council is geared towards helping the Government to maximise women's contribution to future UK economic growth.

I recognise that there are concerns that women are being disproportionately affected by unemployment. Fears have been raised because of the predominance of women in the retail sector, in local government employment, in the NHS and in part-time work. However, as John Philpott, the chief economic adviser at the Chartered Institute of Personnel and Development said last month, it has been tough for both sexes in the 2011 jobs market. He commented:

> "What we do know is that the relative position of women has not so far worsened as much as commonly perceived or as widely anticipated given the high concentration of women workers in the public sector and in part-time jobs more generally."

Labour market analysis published last month by the Scottish Government shows the trend in Scotland over the past year is for women moving out of unemployment and inactivity into employment. As the Minister of State, Department for Work and Pensions, my right hon. Friend the Member for Epsom and Ewell (Chris Grayling), said today,

> "The latest figures reflect the current challenging economic climate but also show more women entering the workforce."

That was backed up by the Prime Minister, who told the House earlier this afternoon that 59,000 more women are now in the workplace than at the time of the 2010 general election.

Ann McKechin: Female unemployment in Scotland has increased by 25% in the last quarter, so would the right hon. Gentleman not acknowledge, given the statistics that he has just quoted, that there needs to be a much more thorough analysis, so that we can get to the root of the reason why there has been such a rapid increase, whether that is likely to be a permanent shift in the job market and what sectors will be particularly affected?

David Mundell: I agree with the hon. Lady that analysis is important to getting to a full understanding of what the situation is. I assure her that the Government are not complacent in that regard.

The Government also have an ambitious agenda to reform the benefit system and to support those who are able to go back into work. The increase in female jobseeker's allowance claimants in Scotland can be partially attributed to the change in the rules for lone parents. Most lone parents with a youngest child aged seven or over are no longer entitled to income support purely on the grounds of being a lone parent. They must now claim jobseeker's allowance or employment and support allowance or find work. There are plans to apply that rule to lone parents with a youngest child aged five or over from this year. Our policies for lone parents strike a balance between the right to benefit to support the family and wider responsibilities to support themselves and lift their children out of poverty when that is feasible.

We also understand the importance of flexible working. It is the Government's intention that the law will better support families juggling work and life, and the businesses that employ them. We are currently developing our proposals for extending flexible working legislation and will be consulting with stakeholders on how best to implement them.

Ann McKechin: The right hon. Gentleman mentioned the fact that more lone parents are coming into the job market because of changes to regulations. Will he tell us what dialogue he has had with the Scottish Government about the fact that, in Scotland, child care costs are so high? Proper, affordable child care is absolutely vital if people, particularly those on lower incomes, are to get back into employment.

David Mundell: The Secretary of State and I have had ongoing discussions with the Scottish Government on employment and wider economic issues and on how we can dovetail our policies to ensure that they work in the best way for people in Scotland. The hon. Lady clearly highlights a significant issue, which I will take up again with the Scottish Government the next time I have the opportunity to do so. I appreciate the importance of the issue that she is raising.

The UK Government recognise the issue of child care and are implementing measures geared to helping more women into work. The hon. Lady will be aware that, following the autumn statement, the Scottish Government will receive more than £500 million in addition to the sums that they had anticipated they would receive. In relation to that funding, the Scottish Government will have the opportunity to invest more in child care and skills development.

Looking forward, the integration of child care into universal credit when it is introduced in 2013 will protect work initiatives and ensure that support is focused on low-earning families. As I have said, we know how important child care is in helping mothers into work. Child care costs will be supported through an additional element in the universal credit. Support for the costs of child care within the universal credit will be made available to all lone parents and couples, where both members are at work, regardless of the number of hours they work. On average, families with children are more likely to have a higher than a lower entitlement under the universal credit.

More broadly, the Department for Work and Pensions is taking a number of measures to assist all claimants into work. The advisory support in job centres across Scotland is tailored and personalised to the individual's needs. Claimants of both genders have access to a range of "Get Britain Working" initiatives, including work clubs, enterprise clubs, the work together scheme, work experience, new enterprise allowance and sector-based work academies. Similarly, work trials allow employers and employees the chance to try out employment opportunities.

The Work programme is a key part of our reforms and, as the hon. Member for Glasgow North knows, it went live in June. We are also helping to break down the barriers to employment through the flexible support fund, which can assist with child care expenses, travel costs and clothing costs. It also targets support to particular groups of claimants. The DWP is looking at bids for grant funding from bodies that specifically support lone parents and women with special needs, such as mental health issues.

Across Scotland, there is huge concern about youth unemployment and, obviously, a significant number of the people affected by that are female. Youth unemployment has been rising since 2004.

Dr Whiteford: Does the Minister agree that the Scottish Government's commitment to ensuring that every young person in Scotland between the age of 16 and 19 has an apprenticeship, college or university place or training opportunity is a good thing and that it is the right direction to be moving in to tackle youth unemployment?

David Mundell: I can certainly assure the hon. Lady that I accept that many things the Scottish Government do are good. What I do not accept is the often presented premise that, if the Scottish Government do something, it is a good thing, and if the UK Government do something, it is a bad thing. We need to work together, particularly on issues such as youth unemployment.

As I said, youth unemployment has been rising since 2004 and is an issue on which we all need to take an interest. That is why I am particularly pleased that John Swinney is going to join the Secretary of State and me at a national convention to consider the issue of youth unemployment, with all other relevant stakeholders from throughout Scotland. In terms of identifying issues and concerns, we have undertaken a number of very successful events in Irvine, Hawick and Falkirk to date, and a national event will take place in Dundee in March.

We have also announced the youth contract, which will bring an extra £1 billion of extra investment into supporting the young unemployed, whether through wage incentives, additional work experience and opportunities or money to the Scottish Government. There will also be the offer of a work experience place for every 18 to 24-year-old who wants one before they enter the Work programme.

The UK Government cannot solve the employment challenges facing Scotland alone. The Scottish Government have many policy levers, with important responsibilities for education, skills, business tax and enterprise, which can be used to improve the employment situation. Scotland's two Governments must work together to achieve this.

Question put and agreed to.

5.9 pm

Sitting adjourned.

Westminster Hall

Thursday 19 January 2012

[Mr Mike Hancock *in the Chair*]

BACKBENCH BUSINESS

Holocaust Memorial Day 2012

Motion made, and Question proposed, That the sitting be now adjourned.—*(Mr Crabb.)*

2.30 pm

Mr Mike Hancock (in the Chair): We come to the debate to mark Holocaust memorial day. I am delighted—I am sure that the whole House is—that so many Members have decided to take part. The first Member to be called is Gavin Barwell.

Gavin Barwell (Croydon Central) (Con): It is a pleasure to serve under your chairmanship, Mr Hancock. On 27 January—the 67th anniversary of the liberation of Auschwitz-Birkenau—the UK will, for the 12th time, celebrate Holocaust memorial day. I am very grateful to the Backbench Business Committee for granting this debate, which has become something of an annual tradition in Parliament in recent years. I am also grateful to all Members who have attended today.

With your indulgence, Mr Hancock, I shall start with an explanation. When I originally requested this debate, I was a lowly Back Bencher. Subsequently, I was appointed Parliamentary Private Secretary to the Minister of State, Department for Communities and Local Government, my right hon. Friend the Member for Tunbridge Wells (Greg Clark). I checked with the Backbench Business Committee whether that was a problem, and it said no. However, the Government have chosen a Minister from my Department to respond to the debate, so there is a technical issue. I am grateful to the hon. Member for Birmingham, Erdington (Jack Dromey) and to my Secretary of State, who have both agreed that, because the subject is wholly apolitical, there is no issue with me initiating the debate. I wanted to put that on the record from the start.

As all hon. Members will know, the holocaust was the systematic state-sponsored murder on an industrial scale of approximately 6 million of Europe's pre-war Jewish population of 9 million by the Nazi regime and its collaborators. One million of those murdered were children. Of course, there were many other victims of the Nazi regime. In addition to those killed on the battlefield or by the bombing of civilian areas, millions of prisoners of war and civilians were brought to Germany to act as slave labour, and Romani were also killed.

There has been a great deal of historical debate about whether the holocaust is unique. Genocides have occurred before and, regrettably, they have occurred since. However, it seems that the holocaust is unique in the sense that it involved a modern industrial state turning all the energies of its bureaucracy towards the extermination of a single group of people, and it is entirely right that we commemorate that and learn the appropriate lessons.

In opening the debate, my job is briefly to set out the facts of what happened. Nazi ideology was based on a pseudoscientific racism that saw Jews as a race that was in mortal combat with the Aryan race for world domination. However long their families had lived in Germany, as far as the Nazis were concerned, Jews were aliens who could never be part of the community. The persecution of Jewish people began as soon as Hitler came to power on 30 January 1933. That year, a series of laws were passed that excluded Jews from key areas of public life, the civil service, medicine and agriculture. In 1935, the Nuremberg laws were passed, making it illegal for a Jew to marry or have sex with an Aryan, and stripping Jews of German citizenship. Violence against Jewish people and against Jewish property escalated, with Kristallnacht on 9 and 10 November 1938 being the most infamous example.

At that point, the Nazis' plan was to deport forcibly all Jews from Germany and to try to convince the Governments of the United Kingdom and France to accept deported Jews to their colonies. However, it was the outbreak of the second world war that led to the holocaust, both because it put a much larger proportion of Europe's Jewish population at the Nazis' mercy and because it gave cover to the ultimate fulfilment of their racist ideology.

Western Poland—annexed-occupied by Germany in September 1939—contained about 2 million Jewish people before the war. Initially, they were forcibly relocated to ghettos. Conditions were appalling: for example, 30% of Warsaw's population was forced to live in just 2.4% of the city. The ghettos were deliberately located in cities that were also railway junctions, so that, in Heydrich's chilling words, "future measures can be accomplished more easily".

The invasion of Russia in 1941 escalated the atrocities even further. The invading army was followed by four SS Einsatzgruppen, which were essentially extermination squads. At his trial at Nuremberg, the commander of Einsatzgruppe D, Otto Ohlendorf, described their work:

> "The Einsatz unit would enter a village or town and order the prominent Jewish citizens to call together all Jews for the purpose of 'resettlement.' They were requested to hand over their valuables and shortly before execution to surrender their outer clothing. They were transported to the place of execution…immediately. In this way it was attempted to keep the span of time from the moment in which the victims knew what was about to happen…until the time of their actual execution as short as possible. Then they were shot, kneeling or standing, by firing squads in a military manner and the corpses thrown into the ditch. I never permitted the shooting by individuals, but ordered that several of the men should shoot at the same time to avoid direct personal responsibility."

It is estimated that more than 700,000 Jewish people were killed in that way.

Mike Gapes (Ilford South) (Lab/Co-op): I am very grateful to the hon. Gentleman for securing the debate. He has referred to what happened when the Nazis invaded the Soviet Union. Is he aware that there are many people who, at the end of world war two, fled the Soviet Union and got false identities in other countries? Is it not important that we continue to make sure that those people, wherever they are and however old they are, pay for the crimes they carried out?

Gavin Barwell: That point is extremely helpful, because the end of that quote states:

[Gavin Barwell]

"to avoid direct personal responsibility."

One of the responses to what happened must be to ensure that everyone, wherever possible, is made to take responsibility for what they did.

On 20 January 1942, Heydrich convened a meeting to discuss

"the final solution of the Jewish question".

At that meeting, figures were given for each country, including the United Kingdom, countries under German occupation, neutral countries and belligerents that Germany had not yet conquered. The Jewish population of Europe was to be deported to the east and either used as slave labour in concentration camps—the Germans had a phrase for that that translates as "destruction through work"—or killed in the gas chambers of new extermination camps. It is estimated that 1 million died at Auschwitz-Birkenau, 870,000 at Treblinka, 600,000 at Belzec, 360,000 at Majdanek, 320,000 at Chelmno and 250,000 at Sobibor.

I want briefly to touch on the emotional reactions of those who liberated the various camps, both the concentration camps and the extermination camps. For time reasons, I shall quote just three people. First, I shall quote America's legendary broadcaster, Ed Murrow, who was with the US Third Army when it liberated the concentration camp of Buchenwald. He said:

"I have reported what I saw and heard, but only part of it. For most of it I have no words".

A. R. Horwell was a German Jew serving as a doctor in the British Army who wrote to his wife following the liberation of Bergen-Belsen about how he was deeply moved to be part of a group

"where there is no sign of discrimination, and where the Jewish padres were the most honoured guests. It made me realise it again: it was worthwhile to be in this war, it is an honour and distinction to wear this uniform...I must restrain myself, for fear to become too emotional. I can't help it, darling; it is a great thing to be back here after all these years—after all these immense sufferings inflicted upon us and our people, to be here with the victorious army...I am very happy tonight and sad at the same time. Happy, because I have survived, one of the few to see this day, and sad, because I am one of the few—so few".

Bob Stewart (Beckenham) (Con): I hope that my hon. Friend will forgive me for intervening, but I know Belsen relatively well. I want to remind everyone that it was not only people of Jewish origin who were exterminated in these camps; Gypsies and, indeed, officers of the Special Operations Executive, of which my mother was a member, were also exterminated.

Gavin Barwell: My hon. Friend makes his point very powerfully. Earlier, I tried to touch on the fact that the victims of Nazi atrocity were clearly many and varied.

Dr David Tibbs was serving with 13 Para, which was also involved in the liberation of Belsen. He had a slightly different reaction:

"At Belsen, I felt a curious elation. Looking at all these terrible things, I thought, 'Here is the justification for this war, for all the lives we have lost, for everything we've been through'".

A few people in our society today argue that war never achieves anything. I myself am an opponent of one of the conflicts we are engaged in at the moment. However, those words are a reminder that, sometimes, violence does achieve something. In this case, it stopped, far too late, a tremendous atrocity.

Jack Lopresti (Filton and Bradley Stoke) (Con): I congratulate my hon. Friend on securing the debate. He spoke very movingly about the history and first-hand testimony. Does my hon. Friend share my dismay that the Iranian President, Mahmoud Ahmadinejad, a repeated holocaust denier, was given a platform to address the UN anti-racism conference in Geneva in April 2009, and that he spoke from a UN platform again on this subject in 2011?

Gavin Barwell: I regret that fact. I am a great believer in free speech, and if people such as Mr Ahmadinejad wish to reveal just how foolish they are by denying things for which the historical evidence is overwhelming, I do not have a problem with that, but I do not believe the United Nations should have given him a platform to do so.

Mr Lee Scott (Ilford North) (Con): I also congratulate my hon. Friend on securing this very important debate. Does he agree that, as time passes and there are fewer and fewer survivors from the camps and people who liberated them, the work of organisations such as the Holocaust Educational Trust—Karen Pollock and her team, who are with us today—is vital in teaching future generations exactly what happened, so that we can hope and pray that history does not repeat itself for people of any religion, colour or creed?

Gavin Barwell: I agree entirely with my hon. Friend and it is to that matter that I now turn.

To me, Holocaust memorial day is an opportunity to do several things: first, to remember the victims of the holocaust. Like, I imagine, many hon. Members, I had the opportunity, thanks to the Holocaust Educational Trust, to visit Auschwitz-Birkenau with students from my constituency as part of its excellent "Lessons from Auschwitz" project. It is probably the single most memorable thing I have done as a Member of Parliament. To those MPs who have not taken that opportunity, I encourage them strongly to do so. Indeed, the very idea of Holocaust memorial day came from a former Member of this House, who visited Auschwitz-Birkenau thanks to the Holocaust Educational Trust. One thing I learned from that visit was not just to regard people as victims. We started the visit in the Polish town of Oswiecim, looking at the gap on the high street where the famous synagogue used to be and looking at a whole part of Polish and European culture that was very nearly wiped off the face of the map, to remember what was there before and to not just see people as victims.

Holocaust memorial day is an opportunity to pay tribute to the survivors. Before I joined the House, I was a councillor in Croydon and was responsible for community cohesion. We have an event in Croydon on 27 January, when we commemorate Holocaust memorial day. I will never forget listening to a Croydon resident, Janina Fischler-Martinho, who is a holocaust survivor. She spoke to an audience of several hundred young people and they sat in rapt silence listening to what she had to say. One of the challenges we face is that sadly, the number of survivors is diminishing and we need to find

a way to make sure that their story continues in the future. I know that the Holocaust Educational Trust is working with the sons and daughters of survivors to consider how they can take forward their parents' testimony. Holocaust memorial day is also an opportunity to pay tribute to the bravery of those who sheltered Jews at great personal risk and to those who liberated the camps, and to remember the victims of other instances of genocide and racial prejudice—I would like to touch on that at the end of my speech.

Why is it important to remember? In an interview with *The Daily Telegraph*, the former Secretary of State for Education, Lord Baker of Dorking, whom I admire enormously and think has done a great deal of good for education in this country, said something that, on this occasion, I disagreed with:

"I would ban the study of Nazism from the history curriculum totally. I don't really think that it does anything to learn more about Hitler and Nazism and the Holocaust. It doesn't really make us favourably disposed to Germany for a start, present-day Germany...I think you study your own history first...I think children should leave a British school with some idea of the timeline in their minds—how it came from Roman Britain to Elizabeth II."

I certainly agree with him about the importance of teaching the history of our country, but to me world war two and the holocaust is a vital part of that history. [Hon. Members: "Hear, hear!"] Many still share Churchill's judgment at the time that Britain's continued resistance in 1940, when we had no realistic prospect whatever of winning the war, was "our finest hour".

In response to Lord Baker's point about attitudes to modern-day Germany, it is important to learn that the holocaust happened not just because of the Nazis, but because people from many countries collaborated with them, and that no country has done more to address its historic crimes than Germany. Those are important points to make when teaching this material. Nor should the United Kingdom be too complacent. A Foreign Office official, Arminius Dew, wrote the following on 1 September 1944, during an impassioned controversy about allied policy in the face of increasing intelligence about the holocaust:

"In my opinion, a disproportionate amount of the time of the Office is wasted on dealing with these wailing Jews".

That was a British Foreign Office official, and at the time appeals for the bombing of the approaches to Auschwitz were turned down.

What happened is a reminder of what human beings are capable of doing to each other, and not just by a small number of people. As Ian Kershaw wrote:

"The road to Auschwitz was built by hate but paved with indifference."

Parish churches and the Interior Ministry supplied birth records showing who was Jewish. The post office delivered the deportation and denaturalisation orders. Government transport officers arranged the trains for deportation to the camps. Pharmaceutical companies tested drugs on camp prisoners. Companies bid for the contracts to build the crematoria. Detailed lists of the victims were drawn up on IBM Germany's punch card machines, producing meticulous records of genocide.

Mr John Spellar (Warley) (Lab): I congratulate the hon. Gentleman, as others have, on securing the debate. I join him and the hon. Member for Ilford North (Mr Scott) in congratulating the Holocaust Educational Trust on its work. Tomorrow I will be at Perryfields high school judging a contest for those who wish to go on its next trip to Auschwitz.

The hon. Member for Croydon Central (Gavin Barwell) describes the background to hate, and I agree with the wider way in which he has drawn that. Is not one of the most shocking facts about the genocide the amount of people deeply involved at senior and officer level who were graduates of universities, and in many cases medical graduates? Does that not indicate that such prejudice is not confined to the unthinking and illiterate, but that it spreads right the way through, and is a virus that has to be fought in every generation?

Gavin Barwell: I could not agree more with the right hon. Gentleman. Many of those who would have been judged at the time as educated and cultured people were responsible for the deaths.

It has happened since and it can happen again. Many of the attitudes and much of the ideology that I described at the outset—of people being "alien"—and which underpinned what happened are still prevalent in parts of the population here in the UK. In Croydon, there was a recent incident where a lady was filmed on a tram making the most disgraceful racist remarks about black passengers on the tram. As the local MP, I commented on it and condemned it. For the next two or three weeks, I was subject to a stream of vile e-mails from people who believe that anyone who is not white cannot be British. They accept that they are British citizens, but they do not accept that they are really British. They think that they are alien and do not belong here—that is the kind of language in the numerous e-mails I received. The same attitude applies in some of the ways the Muslim community in this country has been demonised in parts of the media—that there is something alien about that faith and that Muslims cannot be British.

Those attitudes persist in parts of our society. It is important not only that we remember what happened—remember those who lost their lives and the bravery of those who survived—but that we learn that lesson and continue to confront it. We have to face the fact that as human beings, we appear to be predisposed to being hostile to those who appear different. That means that we are bound to behave in that way, but we need to confront that innate prejudice and overcome it. That, to me, is the fundamental underlying lesson of the holocaust.

Susan Elan Jones (Clwyd South) (Lab): The hon. Gentleman is making a very powerful and moving case. I was intrigued to see in a television documentary some of the propaganda material from the Hitler era. What shocked me was that it did not spew out hate; the propaganda was all about archetypal families—almost a sketch of happy families. It was quite cleverly done, almost saying, "This is what we are part of and therefore this other group must be part of the other." I find that very chilling and dangerous—that is how the roots of prejudice can grow. We are in danger of that in this country—although obviously not to the same degree—when there is an insidious type of anti-Semitism, Islamophobia or whatever, and a sense that a particular group is different.

Mr Mike Hancock (in the Chair): Order. A lot of people want to speak and if hon. Members make interventions, could they please make them short or wait until they have a chance to speak? Otherwise, it is very unfair to

[Mr Mike Hancock]

other hon. Members who have indicated that they want to speak. To make an intervention and just leave, for example, is not fair to those hon. Members who might not get the opportunity to speak, so can Members please bear that in mind? I will try to be as fair as possible to everyone, but if you make interventions please ensure they are short.

Gavin Barwell: The hon. Lady's points speak for themselves. Taking on board what you said, Mr Hancock, I shall conclude.

It is important that we commemorate the holocaust, in memory of those who lost their lives and in order to learn the appropriate lessons for the future. If hon. Members wish personally to mark their commitment, they can sign a book of commitment on the Members' staircase from Monday to Thursday next week between 2.30 pm and 4.30 pm. An event is being held on 23 January at 6.30 pm in the Atlee Suite.

I thank you, Mr Hancock. I also thank the Backbench Business Committee for granting this important debate, and all hon. Members present for attending to show their support for this important cause.

Several hon. Members *rose—*

Mr Mike Hancock (in the Chair): I thank the hon. Gentleman on behalf of the House for the way he presented his comments. A lot of hon. Members want to speak, so please bear with the Chair.

2.50 pm

Ian Austin (Dudley North) (Lab): In March 1939, a 10-year-old Jewish boy from a small industrial town called Ostrava in what was then Czechoslovakia was put on a train by his mum and teenage sisters. He was the only member of his family able to leave Czechoslovakia, because of his age, and it was the last time that he saw his mum and sisters, who were eventually rounded up and imprisoned, first in a ghetto, then in Theresienstadt, before finally being murdered in Treblinka. When he arrived in the UK, he could only speak three words of English—"hot", "cross" and "bun"—but he grew up to become the youngest grammar school head master in the country. He was honoured with an MBE for his services to education and his charitable work. He adopted four children, of whom I am the second, and this explains why, for me, this is such an important issue.

As hon. Members can imagine, I was brought up hearing about the holocaust from my parents and hearing stories about the suffering and the appalling cruelty, about which we have heard this afternoon, and the scale of the slaughter. That left me with a lifelong conviction that prejudice leads to intolerance, then to victimisation and eventually to persecution, and that everyone of us has a duty not to stand by, but to make a difference—to fight discrimination, intolerance and bigotry wherever we find it. I have seen similar convictions awoken in students from Dudley who have visited Auschwitz with the Holocaust Educational Trust and have come home and campaigned against racism on the streets of our town.

The Holocaust Educational Trust's "Lessons from Auschwitz" project is now in its 14th year and has taken up to 16,000 students and teachers from all over the UK to Auschwitz-Birkenau. Based on the premise that hearing is not like seeing, young people can see for themselves what happens when prejudice and racism become acceptable. As a result of funding initiated by the previous Government and continued, I am delighted to say, by the current one, students from every school will see with their own eyes the appalling cost of racism and anti-Semitism and will be able to explain that to their peers in their own words. I echo the tributes paid to the trust, and to its dedicated team, for the phenomenal work that it does not just reminding people of the horrors of the holocaust, but ensuring that these lessons are learned by every generation afresh.

I congratulate the hon. Member for Croydon Central (Gavin Barwell) on securing this debate and I thank him for doing so. I also congratulate the Backbench Business Committee on agreeing to it, because this debate shows that our country's politicians want to unite in determination to ensure that these horrendous crimes are never forgotten. It shows that we want to join in a promise that we will—all of us—in whatever way we can, work to ensure that they are never repeated.

My dad's story teaches us that, when other countries were rounding up their Jews and herding them on to trains to the gas chamber, Britain provided a safe haven for tens of thousands of refugee children. Think of Britain in the thirties. The rest of Europe was succumbing to fascism—Hitler in Germany, Mussolini in Italy and Franco in Spain—but, here in Britain, Mosley was rejected. Imagine 1941: France invaded, Europe overrun, America not yet in the war and just one country standing for liberty and democracy, a beacon to the rest of the world, fighting not just for our freedom, but for the world's liberty.

Britain did not just win the war. Britain won the right of people around the world to live in freedom. Look at Britain's response to the holocaust. It is true that our country did not do enough, of course, and that it could have done more, and sooner, but no one can deny that when other countries were rounding up their Jews Britain provided a safe haven. It was British troops, as we have heard, who liberated the concentration camps, rescuing tens of thousands of inmates from almost certain death and enabling many of those to go on and prosper under the democratic values of the UK.

When people ask me, "What does it mean to be British? Does it matter if the countries that comprise Britain go their separate ways? What's special and unique about our country?" I say that it is because of who we are as a people and what we are as a country that British people came together and stood up to the Nazis and were prepared to lay down their lives for freedom. For me, what makes people British is not what they look like, the colour of their skin, not where their parents were born or the religion they practise. It is not a matter of their race or religion; it is how they behave, what they believe and the contribution that they are prepared to make to our society. What makes people British is their belief in the timeless British values that British people have been prepared to fight and die for: democracy, equality, freedom, fairness and tolerance. It is this that makes us the greatest country on earth.

It has been a privilege for me to meet Zigi Shipper, Ben Helfgott, Mala Tribich and Joanna Millan, who survived the concentration camps and went on to rebuild

their lives and make a huge contribution to Britain, bringing up families and setting up businesses. Now, working with HET, they spend their time travelling around the country speaking to schools and teaching future generations, ensuring that these crimes are never forgotten.

We organise an event each year through my office in Dudley. It is now the borough's Holocaust memorial day event. A survivor has spoken at these events in the past few years. I am delighted that Joanna Millan will be at Dudley college a week on Friday, so people in Dudley, including students and young people, will hear this story anew. The courage and dignity of these people, and their humbling sense of duty and commitment, means that even today they want to use their experience to make our country better and to ensure that these terrible events are never forgotten. It is a humbling experience.

I pay tribute to another British hero, a great man, who lived in Stourbridge near Dudley. Known as the British Schindler, Frank Foley was an MI6 agent at the British embassy in Berlin in the 1930s, where he worked as a passport control officer. He provided papers to let Jewish people escape, forged passports and even provided a haven for Jews in his own home at risk of being rounded up. As the BBC says,

"At great personal risk, Frank Foley's bravery and compassion saved thousands of lives and some even believe the figure could run into tens of thousands."

But the thing that has always struck me is that after the war he retired to Stourbridge, where he lived out his years in anonymity until he died in 1958. At Eveson road, where he lived, you will see that this great man—this hero—lived in the most typical British house in the most typical British street that you could ever imagine. He teaches us, even today, that seemingly ordinary people can find within themselves the courage to do extraordinary things and do the right thing when the easier, safer course would be just to walk away and turn their back. Frank Foley risked his life to save so many others.

For me, it is important—this debate is important—to remember the holocaust so that we remember the greatest crime ever inflicted by man against his fellow man in the bleakest chapter in the history of the 20th century; so that we pay our respects to all who suffered at the hands of the Nazis in the holocaust and in other more recent genocides, too; and so that we remind ourselves that what makes us the people we are, and Britain the country it is, is the unique response of our country to the holocaust and to the Nazis.

The one thing that should come out of today's debate, signing the book of commitment or attending the events in our constituencies over the next few days, is the opportunity to rededicate ourselves to the great British values that make our country what it is and to pledge again to fight prejudice and hatred wherever it is found. That would be the best tribute possible to the memory of the people who were killed 60-odd years ago.

3 pm

Tom Brake (Carshalton and Wallington) (LD): My contribution this afternoon will be short, because many Members want to speak. It is a pleasure to follow the hon. Member for Dudley North (Ian Austin), with his personal and moving contribution about how he and his family were affected directly by the holocaust. I, too, thank the Holocaust Educational Trust and the Holocaust Memorial Day Trust for their assiduous campaigning year after year to ensure that we do not lose sight of what happened during the holocaust. I very much welcome the theme for this year's campaign, Speak Up, Speak Out, which encourages us to stand up and speak against racism, discrimination and genocide, because regrettably those issues are alive and well, and remain with us, abroad and in the UK.

I draw attention to the work of the all-party group against anti-Semitism. The hon. Member for Bassetlaw (John Mann) would have liked to have been present today to make a contribution. I must declare an interest as the vice-chair of the group, but my role has been relatively minor compared with that of the hon. Gentleman, who has played a central role in building the group, which has challenged past Governments successfully, pushing them much harder and faster. Let me list some of its achievements. There have been three formal Government responses to its inquiries into anti-Semitism, under different Governments. There has been the establishment of a Whitehall working group on anti-Semitism, the first official anti-Semitic hate crime statistics, a funding arrangement for the security needs of Jewish faith schools, a Crown Prosecution Service review into the disparity between anti-Semitic incidents and convictions, ministerial conferences and action on internet hate crime. So the group has made it plain that, when people want to get together and successive Governments have the will to tackle such issues head on, it is possible to achieve great things.

We must maintain our vigilance, and the work of the Community Security Trust in highlighting the number of incidents reminds us regularly of that. Although the number of incidents of anti-Semitic hate crime has gone down, there is still a large number of incidents around the country. The Jewish faith is not the only faith to suffer in such a way, of course, and I very much welcome the funding recently given to MAMA, the Measuring anti-Muslim Attacks project, which is a means of reporting hate crime against the Muslim faith. The Minister is well aware of the initiative, and I hope that it will be possible for that facility to be drawn to the attention of a wide range of Muslim groups so that awareness of it can be promoted heavily within the communities that could use it. There have been interesting discussions, and I hope there will be more, with other organisations that might be able to benefit from such a reporting mechanism, including people with disabilities who clearly still suffer a degree of discrimination and targeting that is completely unacceptable.

One other area on which the Government are due to report is to do with Roma people. During the holocaust, perhaps up to half a million Roma people were killed. While they do not suffer persecution as they did then, certainly in the UK, persecution of Roma people remains in some countries in the European Union, and the UK Government should take a vigorous stand on the issue. The Government also have a responsibility to come forward with a plan on the Roma people, and I look forward to it.

We must maintain our focus on education. As other Members have said, as the survivors of the holocaust die, perhaps it loses its prominence. I suspect that many

[Tom Brake]

parents and filmgoers have had the opportunity to see "The Boy in the Striped Pyjamas"—I have just finished reading the book to my son—which brings to the attention of a completely new generation, in an accessible way, the impact of the holocaust. That can play an important role in raising the awareness of new generations, when neither they nor their parents have had direct knowledge of the holocaust. Also, as the schools landscape is changing, with more free schools and academies, schools have an important role. There might be a conflict with the desire, which I support, to give schools more control over their own curriculum and activities, but it would be regrettable if that desire to free them up meant that the focus that there has been on the holocaust and on educating pupils on such issues were lost as part of the change.

In conclusion, it is entirely right that we should have the debate today, and the hon. Member for Croydon Central (Gavin Barwell) is right to have brought it to the House's attention. I welcome the flexibility shown to enable him to speak. The debate is clearly important, and we need to have it annually so that we all remain focused on the genocide during the holocaust and can avoid future genocides.

3.7 pm

Heidi Alexander (Lewisham East) (Lab): I am grateful for the opportunity to speak in the debate, and I congratulate the hon. Member for Croydon Central (Gavin Barwell) on securing it. He spoke powerfully and intelligently, and I commend him on how he opened the debate. Before I progress to my remarks, I will comment on the speech of my hon. Friend the Member for Dudley North (Ian Austin). It was probably the most moving speech that I have heard in this place since I was elected. I have always had enormous respect for him, but that respect has grown today.

I do not represent a constituency with a large Jewish community, but I have always had a significant interest in the holocaust. I hesitate to use those words because the phrase, "an interest in the holocaust" might sound strange to some people. I am not perversely intrigued by what happened, but I am interested in the questions that the holocaust raises for us as a society and as individuals. How was it allowed to happen? What leads an individual to think that it is okay to torture and kill another human being on the basis of their beliefs, religion or culture? How do we prevent such violence and the huge atrocities that occurred in the holocaust from ever happening again? What would I have done in such circumstances? What would I have done if I had been a young person growing up in Poland during the second world war, knowing about or imagining some of the things that were going on in a place not far from me?

I have had that interest, and last year it led me to accept an invitation from the Holocaust Educational Trust to visit Auschwitz, as part of its Lessons from Auschwitz programme. I will reflect on some of the things that I learnt from that visit; but equally, I shall pay tribute to a man who has been the rabbi at the Catford and Bromley synagogue for the past 11 years, Dr Zev Amit, who sadly is retiring. In his work in Catford, he has done a huge amount to promote education among young people, as the HET does. Therefore, although I do not represent a constituency with a large Jewish community, those are my reasons for attending the debate today.

Last April, the hon. Member for Croydon Central and I went to Auschwitz with young people from schools in my constituency and visited two of the three concentration camps there. It is hard to know which issues to reflect on in a short speech. However, one thing that struck me when I was there was that we can read about it and watch films, but nothing can really prepare us for the enormity of the horror that took place—its scale and the human lives behind the statistics. A young woman, who is a constituent of mine, called Yasemin Mustafa from Sedgehill school was on the trip, and afterwards, she led the most amazing assembly at the school in front of about 500 or 600 pupils, where she spoke about her experience. Her feelings were similar to those that I described. She said:

> "Nothing could have possibly prepared me for the distressing horror I was about to see. No matter how many books or films I watched I felt absolutely powerless as I felt the streams of tears run down my face. I couldn't quite comprehend how it was possible for another human being to inflict such torture, pain and distress upon another."

I cried when I visited Auschwitz as well. It was not when I saw the thousands upon thousands of bags and suitcases that those who were led to the concentration camps had taken with them. It was not when I saw the human hair that was cut off women, men and children when they entered the camps or when I stood in a bathroom and saw the pictures painted on the wall by people trying to make their disgusting quarters a little more human. It was when we stood outside the Nazi officer's house about 10 metres from the gas chambers and the barracks that people lived in; and I asked myself, "Why didn't someone stop him?" He was living in a house probably 3 or 5 km from people in Polish villages, and I asked myself, "What would I have done?" I cried at that point—partly because of the horror of what had happened, but also because it made me reflect on my huge responsibilities as an MP.

Two weeks before that visit, as a relatively new MP, I was asked to decide whether it was appropriate for the United Kingdom to take military action against Libya to try to prevent loss of life in Benghazi. I asked myself a very difficult question then about when one act of violence—dropping bombs on another country is an act of violence—is appropriate to prevent other acts of violence. In his opening remarks, the hon. Member for Croydon Central also spoke about those questions, which we, as elected representatives, ask ourselves.

3.14 pm

Sitting suspended for a Division in the House.

3.25 pm

On resuming—

Mr Mike Hancock (in the Chair): Order. There will be 11 minutes' injury time at the end of the debate to give hon. Members who desperately want to speak that opportunity.

Heidi Alexander: When the sitting was interrupted, I was talking about my visit to Auschwitz, which, as hon. Members will have seen, left a deep and lasting impression on me. I applaud the excellent work done by the Holocaust Educational Trust and believe strongly that it is only by engaging with and educating the next generation that we can ever have any hope of preventing genocide from happening again.

It was inspiring for me to see the response of the young people from Lewisham who accompanied us on the trip. They dealt with a difficult situation in a mature and empathetic manner. They asked themselves the difficult questions that we asked ourselves, and the way that those young people responded to the visit gives us great hope. Just like the hon. Member for Croydon Central, I would recommend all hon. Members who have not been on the visit to Auschwitz to go on it. It makes people ask themselves a huge number of questions. Once someone has cried in front of a group of people, they are very honest with people. I had the most honest conversations with a constituent that I have ever had, following my visit there—with Yasemin, the young lady I spoke to earlier, on the bus going back to Krakow airport. I also had a very honest conversation, as I remember it, with the hon. Gentleman about our experiences as new Members of Parliament.

I want briefly to pay tribute to the work of Dr Zev Amit, who for the past 11 years has been the rabbi of the Catford and Bromley synagogue, based in my constituency. I first met Dr Amit when I attended a multi-faith service a number of years ago, to mark Holocaust memorial day. Since the memorial day was established, following the representations of the former Member of Parliament for Hendon, Andrew Dismore, we in Lewisham have always had a series of events to mark it. They have been shaped enormously by the approach of Dr Amit, who is a very inclusive man who has always believed in the importance of educating young people. At the multi-faith service, we had a small piece of drama from young people from the Roman Catholic Bonus Pastor school.

When Dr Amit opens the service, he speaks very genuinely and honestly about the challenges that face society today. Yes, he talks about the holocaust, but he also talks about the genocides in Rwanda, Darfur and Srebrenica. That inclusive approach has been of huge benefit in Lewisham, and we therefore have a significant number of events to mark Holocaust memorial day. It is a personal sadness to me that Dr Amit has retired from the synagogue. He will be missed in Lewisham, but young people there will grow up more enlightened as a result of the work he has done.

If the debate serves to do anything, it should be to remind us that we must always confront and challenge racism, prejudice and discrimination whenever we see them in our society. I shall read the statement of commitment of the Holocaust Memorial Day Trust. The final point says:

"We condemn the evils of prejudice, discrimination and racism. We value a free, tolerant, and democratic society".

No words can be more important to hon. Members than those. I commend to the House the work of the Holocaust Educational Trust and people such as Rev. Zev Amit, and I look forward to the other contributions today.

3.30 pm

Bob Stewart (Beckenham) (Con): I thank my good and hon. Friend the Member for Croydon Central (Gavin Barwell) for securing this debate. About nine years ago, I received a telephone call from a man called Alex Brummer, who is the financial editor of the *Daily Mail*. He asked me to go to the Richmond synagogue and to address the ceremony for the first Holocaust memorial day in the UK. I said, "No. Why? I'm not Jewish. I was born in 1949. I know I look quite old, but I'm not quite that old. I know nothing about the holocaust." He said, "Please, will you think about it, and I'll come back to you in a few days?"

So I thought about it, and I remembered that in 1971 or 1972, as a young officer in Berlin, I commanded the guard that stood over Rudolf Hess at Spandau, so I have a connection with perhaps one of the last Nazis. Then I remembered that when I was in Germany and my battalion was based near Belsen in 1992, I rang my mother and said, "I've been to Belsen. It's disgusting, mum." She said quietly, "I know." I said, "What! How do you know? When I have been in Germany, I have never taken you there." She said, "No. I was there at the end of the war." I said, "Why were you there at the end of the war?" She said, "Remember, I was a special operations executive officer. I went there looking for my colleagues. I saw it." I said, "Why have you never told me this?" She said, "Because, Robert, I was ashamed." I said, "Why were you ashamed? You were 22. You had learned to parachute out of aeroplanes. You had learned to fight Germans—evil Germans. You did your very best, you fought the war, and you are ashamed?" She said, "I was ashamed because it was my generation when the holocaust happened, and it should not have done. We were collectively responsible for it." I did not understand what she meant.

A few months later, I was sent into Bosnia by Parliament. At the end of November 1992, I watched 10,000 people in carts come past my base. I had told my sentries to start counting, but they gave up at 10,000. Those people were like us, in suits. They were lawyers, they were teachers, they were farmers—normal people. I could not believe what I was watching. I thought, "This can't be happening." A couple of months later I dug a mass grave, and I put 104—I think it was 104—bodies into it. They were Bosnian, Muslims in the main, but who could tell? I wept. I felt impotent. I knew what my mother had meant. I was ashamed because that had happened in our generation, within two hours' flying time of the United Kingdom. It had happened again.

During the clean-up, I picked up a ball at the No. 7 house in Ahmici, and then I dropped it. It was not a ball; it was the head of a baby, burnt. I dropped it and then I realised what I had done. That was the last touch of a human being on that baby, who cannot have been more than six weeks old, and was burned with its parents. My wife as she is now—Claire Podbielski of the International Committee of the Red Cross—came to me and said that I had a big house and that she wanted me to put up some children, particularly one child. I said, "You must be joking. I am the commander of the British in central Bosnia, and you want me to look after a child. This is not my job." She said, "It is, you know. What are you here to do?" I said, "I'm here to save lives." She said, "Well, save this one. Save this little girl."

[Bob Stewart]

Claire walked into the concentration camp, took the girl by the hand, walked past the commandant, telling him to get the hell out of her way—she was a delegate of the International Committee of the Red Cross, and quite powerful—and brought the child to me when I was having dinner in my house with Martin Bell, the BBC journalist. I could not believe it. She said, "I've brought the girl." I said, "Well, yes, well, what can I do?" Claire turned to the soldiers beside me—they were my bodyguards—and said, "You'll look after this little girl, won't you?" They said, "Of course." They took her, they bathed her, they dressed her, they put a cot between their beds, and they looked after her for three days.

At the end of that time, Claire managed to find an uncle, but the girl did not want to leave. She told us in the meantime what had happened to her. On 16 April 1993, some men came to her house at about 5 o'clock in the morning, told her mother and father to get up and get out, just as happened in Poland, Russia and in occupied Europe during the second world war. They were told to get dressed and get downstairs. When they were downstairs, she and her mother, father and brother were made to lie on the ground face down. As she described it, there was a lot of noise, and her mummy, daddy and brother did not get up.

That is the holocaust. We have representatives here who are trying to keep it alive. It is alive; it is happening all the time. I am delighted to say, hon. Members, that I have given evidence against the people who were mainly responsible for this happening, but only a very small number of the people who did it.

I am delighted to say that I have been back. I went back in October. My graveyard of 104 has grown to 170. People say, "We must remember the holocaust", but for me it is a living thing. It is evil and a canker in our society. We have already questioned why people do these foul things. One reason we have not given is fear. People act in a brutal way because they are fearful for themselves and for their families. We must be very careful about that. To me, the holocaust continues.

Hon. Members will understand that, if I reel off examples of the holocaust since the second world war, I am sure I would miss a few. But Cambodia is certainly one, and we knew about the killing fields. We knew it was happening, but what did we do? We did nothing. Hon. Members, if we remember what has happened, perhaps we will stop it happening again. I doubt it, but let us keep up the effort.

3.39 pm

John Woodcock (Barrow and Furness) (Lab/Co-op): I feel a sense of privilege, and of inadequacy, to be following such a powerful speech by the hon. Member for Beckenham (Bob Stewart), in which he recounted his own personal experience of the kind of horror that we are debating. If, however, a sense of inadequacy were to deter Members of Parliament from making speeches, our parliamentary days would be much shorter, so I will press on none the less. I, too, congratulate the hon. Member for Croydon Central (Gavin Barwell) on securing such an important debate. It should become a regular fixture in the parliamentary calendar.

I am looking forward to going tomorrow to Sandside Lodge special school in my constituency to meet Blake Martin, who has just been on the latest round of trips to Auschwitz-Birkenau, organised by the Holocaust Educational Trust. I go with a slight sense of trepidation, because this time last year I visited that school to listen to an account of the trip made by James Simpson, whom I had had the opportunity and privilege to accompany. He gave a memorable account of an experience that was clearly as deeply seared on his memory as it will always be on mine.

When I last visited the school for that purpose, I remember the overwhelming experience of looking at faces in the assembly, and realising that those children and students with learning difficulties or disabilities would have been ruthlessly exterminated by the Nazis, along with so many others. Being at that school reinforced in my mind the importance of the work undertaken by the Holocaust Educational Trust and others. Indeed, I wish to congratulate and underline my respect for the Holocaust Educational Trust. The MBE that was graciously conferred on its chief executive by Her Majesty was well deserved.

The holocaust is close to being unimaginable and involves a level of horror and dislocation that people simply cannot fully understand unless they are subjected to it. It is important that we as parliamentarians continue to help every new generation, and allow and enable them to get as close as they can to that horror. For me, and for everyone who has been there, visiting the site of Auschwitz-Birkenau was the most intense experience that I have ever had, and the few hours spent there absorbing the sense of sheer horror, hopelessness and desperation that pervades that place were transformational. We know that simply being on that site all those years later cannot get close to what the victims of the holocaust must have endured, yet the sheer power of being there conveys the importance of the work that we need to do.

The Nazis, even more than the first world war, definitively broke what had unfortunately turned out to be a naïve faith in modernity, and a belief that the constant path of progress would ensure societies that were ever better for their citizens and ever more humane. In fact, the technological progress that accelerated in the previous century made possible the sheer industrial scale of the evil and destruction of the holocaust. Of the many lessons that we take from visiting Auschwitz-Birkenau, the lesson that things will improve only if we have the determination to make them better is fundamental. We will succeed in making the holocaust unique only if we understand that we must always be vigilant and do more against the evil and horror of genocide, such as that recounted so vividly by the hon. Member for Beckenham.

Unless we have the resolve to stop it, evil will spread as it did only 70 years ago. As the hon. Member for Croydon Central powerfully said, at the highest level we must never lose our determination as a nation or—this is fundamental—our capacity to act and use force to protect common humanity, as and when it becomes necessary. There are things that we must do every day beyond that, and we must resolve to have zero tolerance for anti-Semitism and prejudice whenever and wherever it occurs, as—unfortunately and sadly—it too often does in the UK and elsewhere.

Parliament must provide support to the Holocaust Educational Trust, and others, to ensure that understanding of the holocaust remains alive once it slips out of living memory, as it is unfortunately soon set to do.

3.47 pm

Neil Parish (Tiverton and Honiton) (Con): I thank my hon. Friend the Member for Croydon Central (Gavin Barwell) for securing this debate. We have heard emotional speeches, and I feel that the holocaust is one of those subjects I must speak about—it is a feeling inside. Seventy years on, it is perhaps difficult for us to understand the scale of the holocaust, and having been to Israel and the holocaust museum, and having seen the shoes and the clothes and possessions of the millions of Jewish people who were killed, it is almost impossible to comprehend.

As other hon. Members have pointed out, it is also difficult to understand the industrial scale of the holocaust. It was carried out by educated people who came together to create a genocide that had never been seen before, and that is the callousness of it all. However terrible it is to shoot people, or whatever, the actual creation of gas chambers and railways to transport people, together with all the bureaucracy to exterminate a people, is almost unbelievable.

We must also remember that out of a population of some 18 million, the Jewish people lost a third of their population; again, that is almost impossible to comprehend. There cannot be a Jewish family in the world who have not been touched by what happened during that period. The Holocaust Educational Trust is so right to remind people not just that terrible atrocities took place, but of what actually happened. We need to be reminded that these things can and did happen, and we must ensure, as far as possible, that they do not happen again.

We talk about the holocaust and the number of Jewish people who were murdered. One can sometimes understand very much the attitude of Israel when it is surrounded by neighbours who say that they do not want Israel to exist—that it should be wiped off the face of the map. The Jewish people have suffered historically. One third of their population was wiped out, so one can understand how strongly they feel. My constituency does not have a huge Jewish population, and I am not of a Jewish family myself, but as many other hon. Members have said, one great thing that we British have is a sense of fair play. What happened was absolutely not fair play, and we need to stand up and be counted.

My hon. Friend the Member for Beckenham (Bob Stewart) made a great speech about Bosnia and Srebrenica. I, too, have been to Srebrenica: I have been to the factory where many of the killings took place. We cannot afford to be complacent, because atrocities continue to be committed. As my hon. Friend said, that place is only two hours by plane from where we sit, but it happened, and in the 1990s. One would think that it is not possible. I met mothers and wives who had lost their sons and husbands. They believe that many of the people who carried out those atrocities are still out there, free, not having been brought to book.

Bob Stewart: They are.

Neil Parish: Yes, exactly. Again, the situation is hugely emotional. Today is one of those times when we remember what happened and we support very much the Jewish state and Jews throughout the world, who have suffered so badly. Although we congratulate ourselves on the huge improvements that have taken place, we must never take our eye off the ball, because these things could happen again. I endorse so much of what other hon. Members have said. It would be absolutely right to have a debate such as this every year to ensure that we lay down clearly on the record what Parliament feels and what Britain feels about what happened, and what we will try to do to make sure it does not happen again.

3.53 pm

Stephen Lloyd (Eastbourne) (LD): It is a privilege to speak under your chairmanship, Mr Hancock. I thank the hon. Member for Croydon Central (Gavin Barwell) for securing the debate. He made a simple, straightforward and powerful speech, for which I commend him. I also commend my hon. Friend the Member for Beckenham (Bob Stewart). Nothing is more powerful than the statement of someone who has been there and seen it, so I really do honour that.

Many hon. Members want to speak today, so I will try to keep my remarks brief. Like a number of those in the Chamber, I was privileged a year and a half or so ago, along with Karen Pollock and the team from the Holocaust Educational Trust, to visit Auschwitz. I would like to share with those in the Chamber a couple of things about the visit. What was quite interesting and strange was that, of course, I had seen the place many times because I had seen many films and documentaries about it, so I was not surprised by things that, had I not seen it all on television before, would have overwhelmed me. I am talking about the entrance, the railway and so on. The place was absolutely horrendous, but also, in a way, familiar, because I had seen so many movies and documentaries about it over the years.

The hon. Member for Clwyd South (Susan Elan Jones) touched in an intervention on something very important that came out of the trip. Having seen this vision so many times, I found that it was the smaller things that got under my skin and had an impact. I would like to share two of those things with hon. Members.

The person from HET who was leading the tour was telling us while we were beside the rail track that many political prisoners were also kept at Auschwitz-Birkenau. We were shown the place where they used to play football, and behind us was where the rail carriages came in down the bottom of the hill. The story came out after the war of one particular political leader who was a dissident in the eyes of the Nazis, so he was sent to Auschwitz. He was the goalkeeper. Those prisoners were kept separate from the whole extermination side of Auschwitz. I had not been aware of that, but I learnt it that day. It was a separate camp, almost, even though it was smack in the middle. They knew that there was a rail track on the other side of the hill, because they would hear the noise of the train, but they never actually saw it.

This bloke recounted after the war how one day, while he was the goalie, the ball went way over the crossbar and he ran down the hill to get it. At the bottom of the hill, of course, was the siding where the trains came in, and a train had just come in. Suddenly, he saw thousands of people being moved out of the

[Stephen Lloyd]

train, and guards there—the huge, Dante's inferno-type exercise of a train coming in. He thought, "That's interesting," and he picked the ball up and went back to the game. About 40 minutes later, another ball went over the crossbar and he went down the hill again, but there was nothing there—everything had gone. It was so efficient. A train would come in and be emptied. There were troops, dogs and kapos there. Everyone had been moved off. Some 45 minutes later, the train had gone. The hon. Member for Clwyd South described what got under her skin, and I remember that when I was told that story, it got under my skin. That aspect of the story I was told was so powerful that it made a real impact.

I shall describe the second thing that really struck home. So many things about the final solution, Auschwitz and the whole Nazi machine were clearly demented. I might define myself as a very minor political leader; I am a Back Bencher but someone who leads politically in my constituency of Eastbourne. I am pretty rational and logical and I was in business for years before I went into politics. What occurred to me again and again as I was being shown round by the Holocaust Educational Trust was that this was a country—Nazi Germany and the whole empire of Germany—that was fighting a war for its life, a life-and-death war, yet it was so insane about anti-Semitism, Gypsies, people who were homosexual, people who were different and the Jewish population in particular that it would even stop the troop carriers that were on the way to the eastern front so that a train with Jews from Romania could go through first. That is completely insane. I am not being trite in any way; it really got to me. I thought, for God's sake, these people are leading something and fighting something and it is a war to the death, but they are so completely, perversely mad that they will stop a train of tanks going to the eastern front so that a train of Jewish people who are to be annihilated can go through first. That was a powerful lesson.

I asked one of the students I took from Eastbourne to write me an essay afterwards, and she sent me a 500-word essay a few weeks later. It was a powerful essay. It was fantastic to read. Although she was so young, innocent and naïve, she picked up on a point that hon. Members have mentioned: the reason why Holocaust memorial day, visits to Auschwitz and the Holocaust Educational Trust are so important, as my hon. Friend the Member for Beckenham said, is that they remind us of the wickedness of humanity in the slim hope that it will not happen again, or at least not on the same scale. Perhaps if we keep reminding ourselves, it will happen less and less.

I share my hon. Friend's view that humanity's capacity to be inhumane to others is unsurpassed throughout history. Remembering the day in Parliament, the mother of democracy, is important. The work of the Holocaust Educational Trust is vital. I pay tribute to Karen and her team. Perhaps humanity can take a small step, every year, towards thinking that such things cannot and must not happen again.

I finish with some challenging issues. Again, my hon. Friend mentioned fear. The reality is that fear makes us behave badly. Sometimes it is power, but usually it is fear. Good people behave badly when they are fearful—something I learned a long time ago. Sometimes we must stand up against fear, even though that fear might be justified, and say, "Hang on a minute. Let's be rational. Think very carefully about what you're doing." That is bravery, sometimes in the face of a mass of people, or even of the media when they are on a witch hunt: standing up and saying, "Stop a minute. Think through why you're behaving that way, and the consequences."

That is our duty as parliamentarians, and the duty of the Holocaust Educational Trust is to remind us and newly elected parliamentarians that not only must we never forget the absolute nightmare of the final solution; we must use it to remind ourselves daily that wickedness comes in many forms, and sometimes starts very small.

[NADINE DORRIES *in the Chair*]

4.2 pm

Mike Gapes (Ilford South) (Lab/Co-op): I once introduced a ten-minute rule Bill whose Second Reading was 15 years ago last week. It was the Holocaust Denial Bill, and it ended up going to Committee, but it ran out of time just before the 1997 general election. In the subsequent Parliament, my friend Andrew Dismore, the former Member for Hendon, introduced a Bill to mark Holocaust memorial day. I pay tribute to the fact that he was successful where I was not. Perhaps it is a little easier to have a memorial day than to legislate against holocaust denial.

The reason why I introduced that Bill 15 years ago was that Germany, France, Austria and other countries that were occupied by the Nazis have strong laws—although it is a civil offence in France—against denying the holocaust, wearing Nazi uniforms, portraying Nazi regalia or flags or singing Nazi drinking songs at universities, kinds of behaviour that seem to be acceptable to at least a minority of British people.

We should not think that this debate is simply about what happens in other countries or what happened in the past, whether the crimes of the Nazis against Jews, Roma, communists, socialists, trade unionists, homosexuals and anyone else who was different; the crimes carried out, as the hon. Member for Beckenham (Bob Stewart) eloquently described, in the civil war in the former Yugoslavia; what happened in Rwanda or Cambodia; or what might happen elsewhere in Africa, as difficult internal conflicts are occurring in several African countries. We must also think about the ideology behind such events and how that ideology is expressed in the age of the internet and perpetrated and communicated globally.

We as a society must revisit the issue. We have strict laws against incitement to racial hatred, and we changed our legislation during the last Parliament to make it, as well as incitement to religious hatred, an offence. It is therefore important that we recognise that this debate has a domestic context. I add that we must learn from history, and should remember it. Anyone who, as I have, has walked the streets of Krakow—the place depicted in the film "Schindler's List"—will have seen the factory and the streets, visited the small synagogue, which is no longer in use as such but is now a museum with photographs of Jewish families, some of whom escaped to the United States of America, and thought, "Where were those people taken?" We know where they were taken; it has been mentioned. They were exterminated, or, if they were lucky, they managed to escape.

Similarly, I went to Vilnius, now the capital of the independent state of Lithuania, in 1978. I led a cross-party British Youth Council delegation that included representatives of the Scouts, the National Association of Youth Clubs, Labour students and young Conservatives. There were six of us. We went by train from Moscow to Vilnius, through the night, and stayed in Vilnius for two days. During that entire time, not one person in the Soviet Lithuanian Communist organisation that greeted us and took us round referred to the fact that it was Vilna, the heart of the Jewish community in central eastern Europe during the first 35, 40 or 50 years of the last century. That is interesting. Under the Soviet Union, they wanted to talk about the Nazis and what the Nazis did, but they did not want to talk about what happened to the millions of Jewish people who lived in that area and were exterminated.

Mr Mike Hancock (Portsmouth South) (LD): Part of the reason is that many of them served in the Waffen SS. That was the problem in places such as Lithuania and Latvia. Their memories are short. Sadly, when I went to both places, I saw commemorative marches by members of the Waffen SS, who were greeted with cheers in the streets. That was not 20 years ago; it was 10 years ago.

Mike Gapes: I agree. That is why, as I said in an earlier intervention, we must continue to search for those, whoever and wherever they are and whatever names or aliases they are using, who played a role in those terrible crimes. We must also confront directly those who deny and minimise the holocaust.

I am delighted that the holocaust denier and Nazi apologist David Irving was imprisoned in Austria for his crimes. He launched a legal challenge against the historian Deborah Lipstadt and lost. I am delighted that he lost, and I congratulate her on her victory. It was an important victory for truth and for the memory of those who died.

It is also important to remember in other ways those who died. The great film maker Steven Spielberg has produced an incredible archive of the Shoah that includes the personal testimonies of survivors, taken before they were no longer with us. I have had the pleasure—"pleasure" is probably not the right word; it was a privilege and a great honour—of listening to a survivor speak in a school in my constituency. At least future generations will have those testimonies on film, and we can have that dialogue and relationship with our young people. It is crucial, as hon. Members have mentioned, that all young people in this country take part and learn about these events.

I have a mixed constituency, and I am pleased that in Valentines park in Ilford next Friday we will have our annual Holocaust memorial day service in the holocaust memorial garden, which was established by Redbridge council several years ago. Young people from local schools will be there. There will be Sikhs. There will be Muslims. There will be Hindus. There will be Buddhists. There will be Christians. There will be Jews. There will be people from minority communities, including Roma children, who have taken part in the service in the past. That reflects the diversity of modern Britain, and it is an important part of learning about the past, so that the errors of the past are not repeated in the future.

I am pleased that the hon. Member for Croydon Central (Gavin Barwell) secured this debate today, and I congratulate him and the Holocaust Educational Trust on what they have done and will continue to do in future.

Nadine Dorries (in the Chair): As a timing reminder, I would like to call Mr Barwell at about 4.17 pm for his short winding-up speech and then call Mr Dromey and the Minister from 4.20 pm. There are six hon. Members left to speak, so they can do the maths between them from now on.

4.11 pm

Caroline Nokes (Romsey and Southampton North) (Con): It is certainly a pleasure to serve under your chairmanship, Mrs Dorries. I congratulate my hon. Friend the Member for Croydon Central (Gavin Barwell) on having secured what I regard as an important debate, but it is also timely as tomorrow is the 70th anniversary of the Wannsee conference, where the horrific final solution to exterminate the entire Jewish population of Europe was co-ordinated by the Nazis. It may have been 70 years ago, but it is timely to bring that to the forefront of our minds today.

The holocaust was the most horrific act of genocide in history, and it is crucial that we never forget or let the memory of the evil that occurred fade. As holocaust survivors grow fewer and older, our thoughts must be about how we continue to educate our young people about this harrowing episode. I want to focus on education, and I praise the Holocaust Educational Trust, which works tirelessly to teach children about the holocaust. I am delighted that the Government continue to give two post-16 students from every school and college in Britain the opportunity to visit Auschwitz-Birkenau as part of the trust's Lessons from Auschwitz project.

In November 2010, I joined a group of college students from the south-east and the hon. Member for Eastbourne (Stephen Lloyd) on a visit to Auschwitz, and memories of that visit will remain with me for ever. Several hon. Members have spoken this afternoon about the industrial scale of the genocide, but what instantly struck me, particularly on visiting Birkenau, was the industrial atmosphere. The place looked like a factory, and one felt that this was very much a business that the Nazis undertook.

As we have heard, everyone's memories of visiting Auschwitz are different. People are struck by some of the small things, but it is always individual and personal. I remember looking at the mountains of hair from thousands of victims, the shoes and the suitcases, which were exactly as the victims had left them, but the thing that struck me—I am sure that this is personal—was the piles of spectacles with the lenses still in place. As someone who wears glasses, I can say that if someone were to take them from me, at that point I would know that there was no future for me, because I simply could not function without them.

In 2006, I was fortunate to visit Yad Vashem, the holocaust memorial in Israel. As a parent, I was particularly struck by the memorial to the children. It is a phenomenally dark place that one spirals down into with candles representing each of the victims. The names of the children who perished in the holocaust are read out.

[Caroline Nokes]

The sombre surrounds are phenomenally moving. As I said, it is dark in both respects. The memorial is dark, but you feel very dark in your heart to know that there was a regime that could consider it acceptable to slaughter 1 million innocent children. I am utterly convinced that that is one of the main reasons why we must continue to educate our children, so that they in turn can teach their children and that the horror of the holocaust is never lost and will remain in history for ever.

The holocaust has many incredible stories of suffering and survival and of families separated, and it is a real testament to the bravery of those survivors that, all these years on, some still continue to speak of the horrors that they endured. They continue to go into schools. As the hon. Member for Ilford South (Mike Gapes) mentioned, it is real privilege to be able to hear them. Individuals such as Steven Spielberg must be congratulated, because they have made it their mission to ensure that, even if only on film, they capture those personal testimonies.

I have heard representatives of the Holocaust Educational Trust say that it is one of their challenges to ensure that the stories live on. The survivors provide the most powerful testimonies, but we have the technology nowadays to be able to capture them. It is crucial that even elderly survivors still have the opportunity to speak their story, so that we can keep it for posterity. The Chief Rabbi, Lord Sacks, has said that

"fighting the pain of ancient wounds"

the survivors have

"told their stories to schoolchildren, teaching them what freedom means and how it must be fought for in every generation."

The holocaust is part not just of Jewish memory, but of our collective consciousness. All humanity has vital lessons to learn from the holocaust. In my constituency, there is an annual peace walk that is organised by the Southampton Council of Faiths, and different faith groups meet and walk to every place of worship in the city. That could be the Sikh temple, the synagogue or the Catholic church. As we walk, we talk and share our experiences and recognise our differences, but we also celebrate our similarities. We should continue with that important role, so that the community has the opportunity to share its collective conscience.

I am increasingly conscious, however, that anti-Semitic incidents are still reported every year in Britain. In 2005, Chief Rabbi Sacks said:

"After sixty years of saying never again, it is happening again. There can be no doubt as to the most tenacious ideology of modern times. German fascism came and went. Soviet Communism came and went. Antisemitism came and stayed."

Again, I return to the work of the Holocaust Educational Trust. It helps students understand the results of prejudice and racism. It is of paramount importance in understanding contemporary society and in averting the occurrence of another Rwanda or Bosnia. It is clear that racism is born of ignorance, and the most effective antidote for that is education.

4.18 pm

Mr Mike Hancock (Portsmouth South) (LD): It has been a privilege today not only to chair this sitting of Westminster Hall, but to have a chance to take part in the debate. I have listened carefully to what hon. Members have said, and anyone who was in the room when the hon. Member for Dudley North (Ian Austin) spoke could not fail to have been moved by his personal explanation of what his adopted father had been through and the way that it had harnessed his life and his philosophy. Today is a good example of when Parliament comes together—all parties, both sides and many different backgrounds.

I was privileged enough to go to Auschwitz 20 years ago when I was the leader of Hampshire county council. I went to the region of Krakow as the guest of the wojewoda—the governor. When we went to Auschwitz, there were just five of us; otherwise, the place was completely deserted. I will never forget the experience of standing inside the remaining gas chamber at Auschwitz and trying to come to terms with what people went through as the door to the gas chamber closed. I then went to the other part of the camp—the old camp—and stood where the firing squad had operated. There was a wall, where literally thousands of people had been executed by gunfire.

Those sorts of things stay in the memory, but for me the most moving thing was to see the pigtail that had been scalped from a child and left on the pile of hair. It was still plaited but was now as grey as my hair. We cannot imagine what that child went through in having her hair cut off and thrown on a pile and then going to her death. Of all the memories that come from visiting a place such as Auschwitz, for me that was the most telling moment.

The other place that I went to, some years later, was Dachau. Dachau is a different camp to Auschwitz. Nevertheless, it is extremely moving to walk around it. The thing that struck me, first of all, was how close people lived to that camp. Dachau is close to the outskirts of Munich, which was the cornerstone of Nazi philosophy; Nazism was born and bred in that city. As I say, the Dachau camp was built very close to the outskirts of Munich and there were houses right up against the camp. Those houses were not built after the war; they were undoubtedly built in the style of pre-war German construction. One wonders what people who lived around the camp must have thought about what was being done inside, in their name.

A few years ago, I visited Babi Yar in Ukraine, which is just outside Kiev, where 100,000 people were shot in three weeks. I stood on the edge of that pit—and remember that it was not Germans who were shooting those people but Ukrainians who were shooting Ukrainian Jews on behalf of the Germans.

We must remember, and we must continue the struggle of trying to get people not to forget, because if we forget, the stories and tales of Bosnia and elsewhere will unfortunately again become a reality. Bosnia was 20 years ago. It already starts to fade—does it not?—in the memory of people, and we have to keep it alive. We must ensure that people remember the enormous price that other human beings have paid because somebody had it in their head that they were not fit to live; we must remember the evilness and the wickedness of that. Such evil should never go unpunished and it should never go unremembered.

The lesson that we have to learn is clear, is it not? It is that those of us who believe that good should prevail over evil must continue to educate people. The hon.

Member for Romsey and Southampton North (Caroline Nokes) was right that this issue is about education and, as she said, about people being prepared to walk the streets of Southampton together—from church to synagogue to mosque to Sikh temple—to show that there is a common bond of goodness that prevails over evil.

I met a young man from Hampshire who was 19 when he joined the Army, and he was present at the liberation of the Belsen concentration camp. He was a constituent of mine, and when I first met him he told me how horrendous that experience was for him. He had fought through the war and had never seen anyone who had been killed, until he walked through the gates of Belsen. That experience ruined his whole life; he never recovered from it. His wife told me that hardly a day went by when he did not have some memory of the nightmare of walking through Belsen concentration camp.

That young man's story taught me a lot about the way that other people can act with such violence and such evilness, and with such scant excuse as believing that they were better than everyone else. If this Parliament stands for anything, it stands for equality—the belief that all of us have the right to live in any way we like, following any religion we like—and I hope that that is long the case.

I have never had the privilege of going to Auschwitz with the Holocaust Educational Trust—I am delighted that so many of my colleagues have—but I felt that I had to visit it and the memory of that visit has stayed with me ever since. I am delighted to be part of this debate today.

4.24 pm

Eric Ollerenshaw (Lancaster and Fleetwood) (Con): This has been a highly emotional debate. Sometimes, I suppose emotions are the right things to express. I can remember being taught a saying, which I think is Jewish: "Things that come from the heart speak to the heart." On this particular subject, that is certainly the case.

First, I obviously congratulate my hon. Friend the Member for Croydon Central (Gavin Barwell) on securing this debate. If he ever finds politics boring, I am sure he will find a really good career as a history teacher. In fact, teaching is where I want to start, having been a history teacher myself for 27 years. At the end of the 1980s and in the 1990s, I was involved in the debate about whether teaching the holocaust could fit into the national curriculum. When we make laws in this place, and make demands of Government to make laws, we should remember that somebody lower down has got to carry out those instructions. In the history profession at that time, there was a serious debate about teaching the holocaust. It was due to be taught as a section in the history curriculum, to what I used to call third years—year nine students now—who were 13 or 14.

There were serious concerns among history teachers then about that issue: whether children of that age were capable of understanding the holocaust, and whether the history profession was capable of dealing with the consequent emotional effects when anybody gets near this topic. At the time, I was a strong supporter of teaching the holocaust. I have an anecdote from one of the first classes I taught on the subject. Teachers had to be aware of the emotions that were expressed—a lot of emotion has been expressed by Members in this debate today. I can remember two 14-year-old girls—two Afro-Caribbean girls—who came up to me at the end of the class in tears, and it was not because of my usual poor teaching at the time. They said to me, "Sir, we never knew this happened. We never knew this happened."

That is why I, like other right hon. and hon. Members, will hopefully talk to the Government and say, "Whatever alterations there are in the national curriculum, the teaching of the holocaust should remain a fundamental part of it, and children of that age, if they are well taught, can understand it." However, as I said, many children—like the two girls I mentioned—do not know that the holocaust happened.

I was passionate to ensure that the holocaust was part of the national curriculum, because for 17 years I was a councillor in Springfield ward in Hackney, which my hon. Friend the Member for Harrow East (Bob Blackman) knows well, and more than 50% of the people in that ward were what I would describe as ultra-orthodox Jews—I do not know the exact term, but they were visibly Jewish members of the Stamford Hill community. I learned so much as a result of that experience. I had left Manchester at the age of 18 to come to London. I do not think that, in my 18 years growing up in Manchester, I ever knowingly met a Jewish person; I did not do so until I moved to Hackney. That just did not happen in Manchester then. So, to be confronted by the Stamford Hill community was something else, and then to stand as a Conservative candidate in Hackney was also something else. I spent years as deputy leader of the Conservative group, and the leader of the group, Joe Lobenstein, was from that Jewish community. He is still alive, God love him. We also had a chief whip; as people can imagine, there were only three of us serving as Conservative councillors in Hackney, but we knew how to spread the offices around. In fact, I think the Leader of the House, in the days when he was a Minister, may have met Joe.

As I said, Joe was from that Jewish community and he had many stories. He was six years old at the time of Kristallnacht and then came to this country as a refugee. He said that one of his earliest memories was going with his father to a swimming pool in Germany and his father suddenly saying, "We're not allowed there today." Then there was Kristallnacht, and his family came to Hackney. To this day, Joe has huge pride in this country, for the kind of life it gave him and the other members of his community. At the last count, he had, I think, 64 grandchildren and he has made a hugely successful life for himself. Funnily enough, he always says that he still counts in German. German is always in his mind and he counts in it, even though he speaks English.

I have to say that Joe first stood as a Liberal councillor, but then he saw the light and became a Conservative councillor. He has never received any real recognition for the fact that he was a member of this visibly Jewish community, and was the first person from it ever to stand for public office. It was a community whose members, as people can imagine, moved gradually into Hackney and Stamford Hill; they were refugees both before the war and after it. Joe told stories of Shabbos, or Saturdays, in the 1950s when people used to walk down the street and smash the car windows of Jewish people, knowing that, because they were strictly religious, they could not pick up a telephone to report it or do anything else. People need only to step now into Stamford Hill or Bury South to see that anti-Semitism is still alive.

[Eric Ollerenshaw]

Joe taught me so much. When I was a councillor, we had one of the first applications for mosque planning permission, and Joe's view was that we should support it, because everyone of faith has a right to worship in their place of worship. We supported the first gurdwara application, near Finsbury Park, and Joe was instrumental in, and is still part of, a joint Muslim-Jewish council, which meets whenever problems from the middle east might impact on youngsters in Hackney. What Joe taught me about the impacts was reflected to some extent in my teaching, and I add to the plaudits for Karen and her team at the Holocaust Educational Trust.

I had taught about the holocaust, and I had electors. I remember when I was canvassing, knocking on doors, as we all do—as a politician I am after the vote, obviously—and for the first time someone suddenly put their hand out and I saw the tattoo there. I could tell Members all kinds of things that that made me feel. The first Auschwitz survivors I met were in Tower Court, Springfield. They were a couple who, as children, had lost their whole families but had managed to get to England. I can always remember one of them saying to me, "Eric, I think I'm an illegal immigrant." This man had survived the war, lost his family, got married—funnily enough, to another survivor—brought up a family and grandchildren, and was living in a council block in Hackney. I asked him, "Why are you an illegal immigrant after 50 or 60 years?" and he replied, "Because after the war, Britain said it needed bricklayers, and I was trained as a jeweller but put my hand up and said I was a bricklayer, so perhaps I'm still illegal." I assured him that he was not.

What I am saying is that I did not want to go to Auschwitz-Birkenau. Like the hon. Member for Eastbourne (Stephen Lloyd), I had seen and read all the stuff and had taught history. I was frightened that perhaps the visit would lower the emotional impact, and I was worried about seeing the museum. In the end, I think it was Karen's nagging, which she is extremely good at, as we all know, that convinced me to go, and I had the honour of going with the Chairman of this debate. What hit me more than anything else was the sheer size of Birkenau.

I now find myself as the Member of Parliament for Lancaster and Fleetwood, where there is a minuscule Jewish population. I would like to put on the record my thanks to a previous Labour Member of Parliament, who is still alive and in Lancaster, Stanley Hoenig, and a lady called Liz Meet, who even in that minuscule population have kept the pressure on for a Holocaust memorial day ceremony, which I will be pleased to attend yet again this year, next Thursday. Having taught the subject, represented people of the Jewish faith, been in Srebrenica and seen the other massacres, what I will say in conclusion is the phrase we see on war memorials: lest we forget.

4.34 pm

Graham Evans (Weaver Vale) (Con): It is a privilege to serve under your chairmanship, Ms Dorries, and I congratulate my hon. Friend the Member for Croydon Central (Gavin Barwell) on securing this debate. He is an excellent advocate for his constituents, and deserves credit for securing this debate to mark Holocaust memorial day.

I pay tribute to the fantastic Holocaust Educational Trust, and particularly want to mention Karen Pollock's well-deserved new year honour—the MBE. The trust does such important work in ensuring that we never forget the horrifying events of nearly 70 years ago. Thanks to the trust, I was able to visit Auschwitz with schoolchildren from my constituency. It was a truly unforgettable and extremely moving visit, and is seared into my memory. Like my hon. Friend the Member for Lancaster and Fleetwood (Eric Ollerenshaw), I thought I knew a thing or two about the holocaust as an amateur historian, but it is necessary to go there and see the industrial scale of the place.

I want to mention just two or three things that stuck in my memory from the visit—many speakers have already shared a lot of the points I was going to make. The Germans were always clinical and their records impeccable, and in Auschwitz I, they had recorded the very early inmates in black and white photographs. Auschwitz was started after the invasion of Poland in 1939, with Polish prisoners of war being kept there. They literally had "prisoner No. 1", "prisoner No. 2", and so on. The photographs were in the corridors, and what struck me was the type of people the Nazis imprisoned there. They would have a photograph of the prisoner, with his date of birth, the date of incarceration and the date of death. They then had the prisoners' occupations, which included teacher, student, engineer, doctor, lawyer and business man. You name it, it was there. They were very ordinary people, with the types of occupations that many of our constituents have.

Another thing that struck me was the length of time the prisoners spent in Auschwitz I. They would get arrested and incarcerated in, say, April, and by October or November they would be dead. They were worked to death on about 750 calories a day. They would be woken at five o'clock in the morning with some ersatz coffee, work a 15-hour day and then have watery soup and a piece of bread in the evening. That was their food for the day, so it is not surprising that they died from exhaustion, overwork and beatings. I will always remember the faces of those people, very young people in some cases. They would last six months—and then were finished; and the Nazis recorded the whole thing.

What struck me at Auschwitz II—Birkenau—was the industrial scale the Germans were able to put together, in particular the ramp. When someone stands on the ramp, it seems innocuous, but they then see the photographs that a Nazi officer took to record a particular train load of, I think, Hungarian Jews, coming in. It was clearly a hot, sunny, midsummer's day in 1945. Men, women and children—families—were brought off the train, on which they must have spent days, and the old and infirm, and those with young children, were taken to the left, and those whom the Nazis thought could work were moved to the right. That was photographed. It was when I was standing there, looking at that black and white photograph, that it hit me that we were witnessing how the events had happened. The photographs were found by chance.

The other thing that really moved me was when we went over to the gas chambers. The Nazis tried, but failed, to cover their tracks. They attempted to destroy the gas chambers, but they are still clear for all to see.

What struck me was that leaves were falling on the steps that men, women and children had had to go down. The steps were still there for all to see, and millions of innocent men, women and children had gone down them, never to return.

What is so effective about the Holocaust Educational Trust's visits is that schoolchildren go along and then return to their schools and share their experiences with their classmates in assemblies. I have experienced that in my constituency, as have many Members. As time goes on, it is essential that we work harder than ever to ensure that people remember the holocaust; we cannot allow it to become a remote and distant memory for future generations. Those who fail to learn the lessons of history risk repeating them. Evil men know that. Adolf Hitler knew it. When he was trying to convince the SS—not that it needed much convincing—he always referred to the Armenian genocide, which took place between 1915 and 1923, during the Turkish Ottoman Empire. It involved 2 million Armenians—1 million were murdered and the other 1 million were displaced. The circumstances were very similar to the genocide of the Jews. What Hitler was saying was, "Who remembers that genocide?" It had happened only 20 years previously and the world had moved on and forgotten about it. The point Hitler was making was that they could murder 8 million people on the continent of Europe and that in years to come, it would be forgotten and nobody would remember the European Jews.

We all know that education is essential to fighting hatred. However, simply teaching children that racism is bad will only get us so far. Teaching young people about real events from recent history, such as the holocaust, is so much more effective and underlines the importance of the work of Holocaust Educational Trust. When one looks at the record of other nations that are not as assiduous on holocaust education, one sees that anti-Semitism is far more prevalent.

It is also important to remember that this unique event in history, in which millions of people were murdered by the state on an industrial scale because of their racial origin, occurred in what was one of the most modern and, arguably, civilized nations in the world. Germany under the Weimar Republic just over a decade earlier was generally considered to be one of the most liberal and enlightened countries. Laurence Rees's series, "Nazis: A Warning from History", is very good on that, and I recommend that Members watch it. It is important that holocaust education continues and that we remain vigilant against future genocides.

Sadly, anti-Semitism still lingers to this day, which serves as a further reminder of the importance of holocaust education. During the first half of 2009, there were 628 reported anti-Semitic incidents—a record high. Fashion designer John Galliano utterly disgraced himself last year with a drunken rant expressing disgusting anti-Semitic views and boasting about his love for Hitler. I am most worried, however, about the continued reports of anti-Semitism on our university campuses. The hon. Member for Ilford South (Mike Gapes), who is not in his place at present, has mentioned that the London School of Economics is investigating allegations that an anti-Semitic attack occurred after a Jewish student raised objections to a Nazi-themed drinking game on a university ski trip. A recent Union of Jewish Students survey highlighted that 20% of Jewish students have experienced, and a further 32% witnessed, anti-Semitism in the past academic year. Those depressing findings show how much more needs to be done, and should motivate universities and Government to take responsibility.

I applaud my colleagues who have taken part in this debate. It is always encouraging when Members from all parties can come together, and there are few more important subjects than this one. I also pay tribute to our forebears who fought in the second world war. One of my relatives was killed serving in the Royal Air Force, dropping Special Operations Executive agents into occupied France, a subject that my hon. Friend the Member for Beckenham (Bob Stewart) referred to earlier. I am also a proud British individual from Cheshire, and my hon. Friend served in the Cheshire Regiment, which goes to show that it continues to serve us well in foreign fields.

Finally, I want to mention Nicholas Winton. He was a special individual who helped 10,000 Jewish children escape from Czechoslovakia in 1939, just before the second world war started. There is a bronze plaque to the Kindertransport in the House of Commons, and whenever I do the "Graham Evans tour of the House", I never fail to take my visitors to see the plaque and tell them the story of Nicholas Winton, the humble young man who did so much to save 10,000 Jewish children who came to this country. On 1 September 1939, he had a trainload of 250 children ready to travel through Germany, into France and over to the United Kingdom, but, as those historians present will know, 1 September was when Germany invaded Poland and that train did not leave Prague station. Those 250 children disappeared, never to be seen again, and records show that, unfortunately, their parents died in the holocaust. I pay tribute to my hon. Friend the Member for Beckenham for the moving account that he gave earlier. The children saved by Nicholas Winton gave him a gold ring, inscribed on which was an old Jewish proverb: "Save one life, save the world."

4.44 pm

Bob Blackman (Harrow East) (Con): It is an honour to follow so many emotional speeches. I commend my hon. Friend the Member for Croydon Central (Gavin Barwell) for his perseverance in ensuring that we could have this debate and for securing it from the Backbench Business Committee.

My problem with the holocaust is thinking about 6 million people being systematically murdered. It is easy to picture one person being murdered—we can see a photo of them, talk to their friends or read about them—but one cannot even envisage or contemplate 6 million people lying in a row or filling a hall. It is unimaginable.

I am privileged to represent the people of Harrow East, where we have, if not the biggest, one of the biggest Jewish communities in the whole country. I have had the privilege of meeting refugees of Kindertransport and people who came here before the war or who escaped the atrocities of the concentration camps. All of their stories are deeply emotional. I have had the privilege of going to schools where they have spoken and have talked with them about their feelings about the holocaust.

[Bob Blackman]

One of the things about the holocaust and what the Germans and the Nazis did to the people of many countries across Europe is that they attempted not just to wipe out the whole of the Jewish population, but to dehumanise them in the first place. They took away their humanity and their emotions, and the thing that I find really hard to contemplate is how it was allowed to happen and how people could tamely go into concentration camps and gas chambers and be wiped out. I also find it hard to contemplate how people across the world, if they knew what was going on, did not take the affirmative action required to prevent many unnecessary deaths.

I, like others, commend the work of the Holocaust Educational Trust. One of the things that I feel very badly about is that, when I was at school, we were never taught about the holocaust. It was not spoken about. It was never part of our history lessons or of anything that we knew about. Fortunately I grew up among Jewish children and families, so we heard about it, but it was never really spoken about, which is deeply distressing.

I had the ordeal—privilege is not the word—of visiting Auschwitz-Birkenau last year with the Holocaust Educational Trust and students from my constituency. I was struck by several things. None of those young people were Jewish. There were Hindus, Muslims and Christians, but no Jewish children. I think that that was good, because it meant that it was not just Jewish people learning about the holocaust, but everyone from every religion. The way in which the trip is built up is remarkable. When we visited the village of Oswiecim and went to the green, which is surrounded by trees, we queried what terrible things could have happened there. Then, however, we realised that it used to be the site of the biggest synagogue in Europe. It was wiped off the face of the earth, together with the Jewish population of that town, which now has no Jewish people.

From our visit to Auschwitz-Birkenau, several things that other hon. Members have mentioned—the hair, the shoes and other things—come to mind, as well as particular parts of the death camps and concentration camps. As people go round, the education and group leaders show what happened and explain it all. It came together for me when we were in Birkenau and the leader of our group said, "You must remember: the people who did this were not mad. They were evil, they were systematic, but do not allow the belief to exist that they were mad." We must always remember that, because it is the key issue.

When we look at the maps of where people were transported from to get to Auschwitz-Birkenau, we can see how many were involved. This was not a few mad individuals; this was a systematic approach by large numbers of people who were evil. They were evil because they directly participated in it, or they were evil because they did nothing to prevent it. We have to remember the whole process of what happened.

As we strolled across what could be a park anywhere in the world to contemplate what evils were done in that pleasant area, I pictured, as we looked at the railway tracks, what it must have been like for people who had been transported for many days from different parts of Europe to arrive there, having been told that they were going to a work camp and that they would be given reasonable amounts of food, that they would be treated properly and that it would be a better life for them. How must they have felt, when the doors opened on those railway carriages and they stepped out on to the platform, to see the camp? One can then start to envisage the full horror of what befell them, as they were separated and marched off to death or, in some cases, to work.

Of course, some of the people who perpetrated these evil deeds have paid the price, but by no means all have. We must always pursue those people, whoever they are, wherever they are, so that they suffer the consequences of their actions. However, we also need to get to grips with the reality of why this happened. How could it possibly have come to pass? We have to remember the economic circumstances in Germany that led to the rise of the Nazis. That is not an excuse, but it is a reason why they were allowed to perpetrate their evils.

I declare a bit of an interest in this regard, because my wife's family were German Jews who came to this country at the beginning of the last century and, historically, my mother's family were French Jews who came to this country at the start of the last century. We should remember that anti-Semitism in this country was rife right up until the second world war, and that many of the families who chose to come here forsook their religions, as did mine, and changed their names for fear of the anti-Semitism and discrimination that took place at that time. We still have to confront that because, even today, Jewish children going to and from schools have to be escorted and have security outside the schools. Jewish graves are desecrated and synagogues are damaged. We must always remember that every single hate crime is a crime against this country and against humanity.

I commend this debate for the raw emotion there has been and for the solid examples that have been quoted of what we must do. We must never forget that the holocaust took place, and we must never allow people to forget the rationale and the reasons people make the excuses. I commend the work that is being done by the Holocaust Educational Trust and Karen Pollock and her team. I trust that we can educate our young people, so that never again will that systematic approach ever be allowed. I can accept that, unfortunately, there are evil people in the world who will commit atrocities almost on a systematic basis, but we must never allow such systematic approaches to death ever to happen again.

4.55 pm

Julie Hilling (Bolton West) (Lab): I am very sorry that I was not here at the start of the debate; I was on other parliamentary business. I am extremely grateful to be called and given the opportunity to speak. I congratulate the hon. Member for Croydon Central (Gavin Barwell) on securing this incredibly important debate.

I, too, had what I was going to say was the pleasure—but, of course, it was not a pleasure—to visit Auschwitz with the Holocaust Educational Trust. If anything, the day made it harder for me to understand what had actually happened. As the hon. Member for Harrow East (Bob Blackman) said, it is not only the scale—how could so many people have been murdered? It was so hard to understand the stories. How could human beings be so inhumane to other human beings? It is not just the murder of people, but the torture that some

people faced when they transgressed the rules, the living conditions that they were in, and the whole experience that human beings made other human beings go through.

Like other hon. Members, a number of particular things got to me. The hon. Member for Weaver Vale (Graham Evans) and I were on the same trip. I also saw the photographs that showed healthy young men and women—and people of all ages—and then the dates of their death just a few weeks after they had got there. They were worked, starved and frozen to death.

The latrines was another area that got to me. The notion that people would be trooped in, told when to sit on the latrine, then told when to get off the latrine and be marched out again, to be followed by hundreds of other people, really affected me, as did the attempts by the guards to completely remove the dignity of the people who were being held in those camps. There was also the reality that, of course, some prisoners did lose their humanity and treat people in inhumane ways. One of the things I find very difficult to imagine is the absolutely unbelievable number of people who were cramped into the huts. The weakest were at the bottom and would be covered with faeces, vomit and blood from people above them, because of the situation that people were in. My final realisation was that some people did retain their humanity. There were people who did support other prisoners in there and manage to live as human beings in the most inhumane conditions it is possible to imagine.

I pay huge tribute to the Holocaust Educational Trust for enabling us and so many young people to experience that day and see what happened in the camp. However, the most important element of the trust's work is not the act of remembrance, although, of course, that is vital; it is the work of challenging attitudes now. As other hon. Members have reminded us, the holocaust did not start in world war two; it was not the first and nor has it been the last. We have been reminded of Bosnia and Cambodia and, of course, there have been many other genocides during the past century. Even today, as we speak, murder continues. The only way that we can ever tackle that is to deal with the fear and the hatred. For me, that starts with discrimination in the playground. Irrespective of whether that is due to race, appearance, disability or any of the other things children bully other children about, it is still about division and saying, "Other people are lesser than me and I have a right to treat them in that way."

Such things continue to happen on our streets. We have recently been reminded of the dreadful murder of Stephen Lawrence, and there are racist murders every week. Discrimination continues in attitudes in every-day life, and in divided societies where hatred is allowed to flourish. People will blame immigrants for the fact that they do not have a job or a house, or for the trouble on their streets, and will say that asylum seekers are to blame, not acknowledging that they are actually refugees. The young people I met on the trip to Auschwitz were not only looking back, but looking to the future. They were inspired to tackle prejudice and discrimination, to educate other young people about what happened and to ensure that it does not continue to happen. That is what they are doing after their trip.

The hon. Member for Beckenham (Bob Stewart) finished his amazing remarks by expressing his fear that we will not stop future genocide. We may not, but if we do not take action—if we as politicians do not lead to challenge attitudes, and to be opinion formers, not just opinion followers—clearly we never will. We have to do all we can to tackle prejudice and discrimination. We have to make it clear that we will not tolerate them, and that our society, in which we are leaders, will not tolerate them. Like those young people who visited Auschwitz, we must be inspired to do all we can to educate and to tackle divided societies. I hope that the work of the Holocaust Educational Trust will long continue. Its work is truly valued, but we too must play our part as politicians in the House of Commons.

5.1 pm

Jack Dromey (Birmingham, Erdington) (Lab): I pay tribute to the hon. Member for Croydon Central (Gavin Barwell), whose dogged persistence has ensured that the debate has taken place. He has done a great service to the House and to democracy and decency. I also pay tribute to all hon. Members, from my hon. Friend the Member for Dudley North (Ian Austin) onwards, who have made some remarkable contributions to a remarkable debate.

I shall say something about my own experience. I was born the proud son of Irish parents who came to this country to better themselves in "County" Kilburn. When I was still at primary school, we moved to Dollis Hill where there was a significant Jewish community. The family next door were the Futtermans, and I always remember ma Futterman and my mother leaning over the fence. Over would come the matzos at Passover. I would go in every Friday night and turn on the lights. Four doors up were the Cohens, and I used to play football with them. I went to numerous bar mitzvahs, and it was at a bar mitzvah that I first discovered that Jewish people living in my street were from families—three of them—who had lost people in the holocaust, and I could not believe it.

I remember, as a young trade union activist, working with a very fine man called Paul Graham, a Polish Jew with a heavy accent. I was sitting down with him one night in his house and asked him, "Paul, why are you called Paul Graham?" He looked at the ground and could not speak for some time. It soon became clear to me that the demons of what he had experienced before he fled Poland had scarred him to that day. What he had done was to seek anonymity by changing his name, and he was not alone.

There is no question but that the holocaust was the greatest crime in human history—utter barbarism in the 20th century perpetrated by the country of Beethoven, Schiller and Goethe. Industrial slaughter, barbarism on a grand scale, was planned by people who were not mad, but profoundly evil. What the victims suffered is unimaginable. There have been so many powerful contributions; for example, from the hon. Members for Romsey and Southampton North (Caroline Nokes) and for Harrow East (Bob Blackman), who were absolutely right. From Kristallnacht onwards, what must it have been like for proud people to be attacked in the streets where they had been born and brought up and in the ghettos that they were then forced to live in with no defence? There was no question of protection by the rule of law. What must it have been like? I remember thinking about that when my kids were very young. Imagine standing in a queue with our children, waiting to go into a gas chamber. What would we say to them?

[Jack Dromey]

Millions suffered that terrible fate, but it was not just the Jews—there were others as well. The right hon. Member for Carshalton and Wallington (Tom Brake) was right to point out the huge number of Gypsies and gay people who died. Today, the House unites to say, "Never ever again." The message to the perpetrators must be, "No hiding place." The message to collaborators must be, "You should be ashamed of yourself." Yes, there were honourable exceptions—the Maquis in France and the Danish bishops—but too many turned a blind eye.

Sadly, the holocaust is not history. There have been a number of very powerful contributions, particularly from the hon. Member for Beckenham (Bob Stewart). He reminds us that, despite the universal declaration of human rights in 1948 and the formation of the United Nations, we had Rwanda, Bosnia—Bosnia, in our time and on our continent—and Cambodia. I visited Cambodia just after Christmas. The father and brother of the first person I met had died at the hands of the Khmer Rouge. I went to the detention centre where tens of thousands had been taken and interrogated. First, they were photographed. Like the Nazis, the victims were impeccably catalogued with a photograph and a number across their chest before they were interrogated. With the exception of a handful of them, they were slaughtered either in the old school or taken out to the killing fields. One of the legends of the Khmer Rouge was:

"To spare you is no profit, to destroy you, no loss."

The hon. Member for Beckenham is right—the world knew what was happening.

I think that progress has been made. We have the International Criminal Court calling to account the mighty, and rightly so, confronting them with the consequences of their actions. I hope that those yet to go before the court never sleep easy. International action was taken against Libya under UN resolution 1973 and rightly supported by all parties in the House. We have learnt painful lessons from history that we must never, ever again stand by and permit genocide or mass slaughter.

The theme of Holocaust memorial day is to speak up and speak out. I pay tribute to Karen Pollock and to the trust for the remarkable work it does. They are absolutely right—there is a sacred duty for each generation to learn the painful lessons of the holocaust. The hon. Members who have spoken—the hon. Members for Beckenham and for Croydon Central, in particular—are absolutely right, because to this day there is still an evil canker, to use the words that were used earlier, in our society. There is once again the shameful rise of anti-Semitism. There is, sadly, also Islamophobia. Racism still scars too many of our communities, seen at its most obscene in the killing of Stephen Lawrence. Gay people are to this day attacked and sometimes murdered. It is absolutely right that we speak out and accept that we all have a duty to give leadership, because the tone that we set is crucial to the harmony of our communities. Today, we also say that it is absolutely right to reject any notion of revisionism and any attempt to explain away or minimise the obscenity of what happened in the holocaust.

In conclusion, today we have seen the House at its best, speaking with a remarkable unity as, during the war, our country came together. The extraordinary Winston Churchill, whose poetic speeches inspired the nation, and—dare I say it?— people such as Ernie Bevin, who was the first general secretary of the old Transport and General Workers Union and Minister of Labour and then Foreign Secretary after the war, were united in utter determination to defeat barbarism. As one hon. Member said earlier, lest we forget: the message from both sides of the House is that we will never, ever forget.

Nadine Dorries (in the Chair): Mr Offord has been here for three hours, but unfortunately his name was omitted from the list of speakers, so I call him now, although it is unorthodox, because this is an exceptional debate and we have time.

5.9 pm

Mr Matthew Offord (Hendon) (Con): Thank you, Mrs Dorries, for allowing me to speak. It is a pleasure to serve under your chairmanship. It is a bit peculiar that the previous occupant of the Chair decided to speak himself and leave me off the list.

I will change my remarks in light of the debate. Not only do I congratulate my hon. Friend the Member for Croydon Central (Gavin Barwell) on securing this debate, but I thank him because some cynical people would say, "Why didn't someone with a large Jewish population in their constituency request this debate?" However, success to me is not just introducing a Holocaust Memorial Day Bill or simply securing a debate; for me, an MP with many Jewish constituents, success is seeing so many hon. Members from constituencies without Jewish constituents or any kind of Jewish heritage here today. For that I am grateful to my hon. Friends the Members for Croydon Central, for Tiverton and Honiton (Neil Parish), for Weaver Vale (Graham Evans), for Romsey and Southampton North (Caroline Nokes) and for Lancaster and Fleetwood (Eric Ollerenshaw) and the hon. Members for Barrow and Furness (John Woodcock), for Lewisham East (Heidi Alexander) and for Bolton West (Julie Hilling). I thank them all.

This debate reinforces for me that Holocaust memorial day is not just for people who are Jewish; it is for everybody who has concern, in whatever form, about the holocaust. In my constituency, we commemorate Holocaust memorial day with contributions from the Bosnian community and from Cambodians and Rwandans. Of course, it is only natural that we have contributions from many of my former council colleagues, whose family, friends and relatives were in the holocaust and who have relatives who, luckily, escaped from it. Councillor Maureen Braun, a friend of mine, and Councillor Richard Weider have regaled us with some of the events that happened to their relatives in a former life.

With regard to the Holocaust Educational Trust's Lessons from Auschwitz project, I have visited Auschwitz twice, the first time with my right hon. Friend the Minister for the Cabinet Office and Paymaster General. I was pleased to see him there, because I am not aware that he has a significant Jewish population in his constituency. I also went last year with my hon. Friend the Member for Harrow East (Bob Blackman) and another hon. Member who is not able to be here. My two visits were different. On the first occasion, I valued the experience for the same reason that the hon. Member for Lewisham East stated, and I learnt a great deal

about the historical acts that occurred there. The second visit was important because I was able to gauge the reactions of some young people from my constituency who attended. On visiting the first camp, we were all in our own world with headphones on and everyone was fairly quiet, until we came to the hair, which was mentioned earlier, and the glasses. For one young man in particular, witnessing the pile of glasses personified the holocaust. That was a powerful, moving experience.

The second part of the visit, in the second camp, is an equally quiet event. It is peculiar because there are no birds singing. An occasional dog barks at the far end of the camp, but we hear nothing, as though nature knows some kind of horrific atrocity occurred there. I thought at the time that it was the long, exhausting day that made me feel so emotionally tired, but it was actually the realisation of what occurred in that country—in that part of the world—that makes us all so emotionally drained.

One discovery that I made on the trip was Elie Wiesel's book, "Night". It is appropriate that I am reading it at this time of year on the lead-up to Holocaust memorial day. Elie makes some rather good observations, which are useful and could also be applied to the work of the Holocaust Educational Trust. He writes:

"To forget the dead would be akin to killing them a second time."

The work of the HET is so valuable because it reminds us all of what occurred in that part of our terrible history and that we must prevent it from ever happening again.

I conclude by saying something that has been said before. I congratulate Karen Pollock on her well-deserved MBE, which is a recognition not only of her work, but of that of all her team and everyone at the Holocaust Educational Trust, which is keeping alive the recognition of what happened in those terrible years to many Jewish people, many of the Roma community, many artists, homosexuals and different ethnic groups. For that I am particularly grateful.

5.15 pm

The Parliamentary Under-Secretary of State for Communities and Local Government (Andrew Stunell): It is good to serve under your chairmanship, Mrs Dorries. I thank hon. Members from all parties for their contributions to this debate, which have been, by turns, sober, chilling, passionate and personal and sometimes deeply moving. That illustrates the fact that we Members of Parliament are human beings with real emotions and some of us have real experiences that we can bring to bear on a subject of deep importance, not just for this Parliament or this country, but for our world.

This occasion is not just an event in itself; it is about laying foundations for the future in a world where, despite some pessimism expressed by one or two hon. Members, we have constantly to work and hope that we can learn from this and provide our children and grandchildren with a better world for the future. I am confident that hon. Members will join me in ensuring that the message from the House today is not just to condemn the atrocities of the past, but to learn and make sure that we learn well for the future.

There were powerful contributions from 17 hon. Members during this debate. I do not think I can match any of them, but I can match them at least in one respect by congratulating, on behalf of the whole House, both Karen Pollock and the Holocaust Memorial Day Trust, which has expanded its work year by year with great effect. Hon. Members have spoken about the events that they attend in their constituencies. This year events are being arranged nationally. We can all take pride in the focus that the trust, in a leadership role, has brought to that work.

I am pleased to report that, without any hesitation at all, this Government have been ready and keen to follow the investment of the previous Government, and to follow their example in responding to the challenge that the Holocaust Memorial Day Trust and the Holocaust Educational Trust set for us and for young people. The annual national commemoration and the local community activities that Karen and her team have fostered have ensured that people think once again about the repercussions of the holocaust on our society.

The key point that has come across in many contributions is that this is an inclusive event, remembering not just 6 million Jewish victims of the holocaust, but the millions of other victims of the Nazis and other genocides. Of course, the Jewish community is painfully aware of the lessons. The challenge is to make sure that other communities understand those lessons and learn from them as well.

The introduction to this debate by my hon. Friend the Member for Croydon Central (Gavin Barwell) was sober, chilling and a great credit to him and to those who rightly decided that, despite the strict word of protocol, it was right for him to be the person who led this debate. He mentioned that the holocaust was not simply a Jewish disaster. It is not simply about one community but the persecution, harassment and abuse of any minority community. He rightly drew attention to the problems faced by black and minority ethnic communities, including Gypsies, and to Islamophobia and the problems increasingly suffered by the Muslim community in this country.

In the same vein, my right hon. Friend the Member for Carshalton and Wallington (Tom Brake) referred to the work being set up by MAMA, in order to provide a resource for the Muslim community parallel to the work done by the CST for the Jewish community. The MAMA project will be launched fully later this year, and I was talking earlier today with the team who are delivering the project on behalf of the Government.

The hon. Member for Dudley North (Ian Austin) gave a searing personal testimony to the experience of his own family. What he said about the values underpinning what we like to think of as our traditional sense of Britishness was a master class, which I hope will come to the attention of Members throughout the House.

I had not heard of the previous experience of my hon. Friend the Member for Beckenham (Bob Stewart), but he spoke with brutal frankness about the circumstances he found in Bosnia during his service there in command of British troops. I had the opportunity some time after my election to the House to go on a short, all-party visit to Bosnia after the accord had been signed, with a view to the development of political institutions in Bosnia. As we were taken in secure vehicles through towns and villages, what stood out was that every third or fourth house going down a street was burnt out, while the others were fine. I asked why that was, because it did not match one's picture of people being driven out of their

[Andrew Stunell]

homes. It was a case, however, of neighbour turning against neighbour. Whether a family was Serbian, Croatian or Bosnian, once things flared up it was neighbour against neighbour, and that brought me up short.

The hon. Member for Lewisham East (Heidi Alexander) and a number of Members contributing today asked why someone did not stop them. Why did somebody not stop them? Surely, if we can learn anything at all from Holocaust memorial day, it is that it is not always "them"; it is sometimes us who have to be stopped. What I saw driving through the villages in Bosnia was that it could be neighbours or lifelong friends who, because people were suddenly segregated in their thinking and their cultures, felt that the right solution was to burn their neighbours out of their homes. Given that connection with the individual circumstances of families and communities, that detachment and alienation surely open the Pandora's box described so graphically by many people in the debate.

I do not want to trespass on the time that my hon. Friend the Member for Croydon Central will want for winding up the debate, but I must state that our responsibility as a House is to remember those who were persecuted and murdered. Our challenge is to make the experience in the words of the victims and of the survivors a meaningful part of our future.

I have been provided with information that is certainly new to me, and this Olympic year is an opportunity to celebrate two Jewish athletes who competed in the Olympics after surviving the holocaust: Ben Helfgott, a British weightlifter, and Alfred Nakache, a French swimmer and water polo player. Ben was the only member of his family to have survived Buchenwald, and he moved to England after the second world war. He captained the British weightlifting team in Melbourne in 1956 and in Rome in 1960. That is a triumphant example of someone not only surviving and becoming a British citizen, but growing, developing and delivering for the country that he had learnt to love. Nakache, the French 100-metre freestyle champion, was in his country's squad in Berlin in 1936; and, 12 years later, after Auschwitz, where his wife and daughter perished, he took part in the London Olympics of 1948. Such stories are a mixture of the very ordinary and the hugely exceptional.

We as a Government are working hard to promote the United Kingdom's Holocaust memorial day. We give a sizeable grant to the Holocaust Memorial Day Trust and support the Holocaust Educational Trust—I gently chide a few Members who might have been a little confused about the difference between the two trusts in their contributions. Both trusts do hugely outstanding work to raise awareness of the holocaust among young people and the wider community. I thank not only Karen, who has had a lot of mentions, but also Cathy Ashley, chair of the Holocaust Memorial Day Trust, and her team for their work.

Last year, 72% of local authority areas held a Holocaust memorial day event, which was a big step forward, although I know that the trust will not be satisfied until 100% of areas mark the memorial day with events. That is the task it has set itself to achieve by 2015, which would be exceptional. Surely Members of Parliament can play a key part in ensuring that that target is achieved not only in 2015 but in 2014—why not? I also hope that Members will pick up this year's theme, Speak Up, Speak Out. Perhaps we should be speaking up and ensuring that our local authorities at least are commemorating, commending or taking account of memorial day.

The Government have committed £2.1 million to the Auschwitz-Birkenau Foundation to fund ongoing restoration works. I visited, as other Members have done, and it was a deeply moving experience. It is essential that we keep the site for future generations to see. The Government will also continue to support the work of the UK's first envoy for post-holocaust issues. Some powerful words have been said in the debate by many people about the need to be on guard against future events. We had a sober warning of such events, in particular on the African continent. The Government are also supporting the Anne Frank Trust, to educate young people to challenge prejudice and discrimination, and the work of the Jewish museum.

Several references were made to other groups threatened in our society. The most challenging problem in this country in dealing with racism, alienation and discrimination relates to our Gypsy and Traveller community. It is a challenge to all of us as constituency MPs and to the House, and on a day such as this, commemorating events such as this, I hope it is one we will treat with deep seriousness.

5.29 pm

Gavin Barwell: With the leave of the House, I will reply just briefly. The hon. Member for Birmingham, Erdington (Jack Dromey) made both the points that I wanted to make, but I will briefly repeat them. I thank you, Ms Dorries, for the way you have chaired the second half of our proceedings, and in particular for allowing my hon. Friend the Member for Hendon (Mr Offord) to speak, which, if I may say so, was the second triumph today of common sense over rules.

Today's debate showed Parliament at its best. I congratulate every right hon. and hon. Member who has spoken, but if others will forgive me, I will single out five hon. Members who reflected on particular personal experiences, which I thought lent a special force to their speeches. The hon. Member for Dudley North (Ian Austin) spoke about his family experience, my hon. Friend the Member for Beckenham (Bob Stewart) spoke about his time in Bosnia, and the hon. Member for Lewisham East (Heidi Alexander) spoke about visiting Auschwitz-Birkenau, on the same visit that I went on, as she said. My hon. Friend the hon. Member for Lancaster and Fleetwood (Eric Ollerenshaw) reminded me about Councillor Joe Lobenstein, whom I had the privilege of meeting several times. The story of his 64 grandchildren was wonderful. The Nazis tried to kill him and his family off—and here he is 70 years down the line, with all those descendants, who would not be here if the Nazis had been allowed to have their way. Finally, the hon. Member for Birmingham, Erdington referred to a trade unionist who changed his name because of the pain of the experiences he had been through.

What probably unites us all is that we do not want to live in a country where people cannot be honest about who they are—their faith, sexuality or background. Members on both sides of the House can unite around

that, and the debate showed the House off very well. The hon. Gentleman was right to remind us of that period of British history of which we are all so proud, and of the fact that the Government then were a national Government. Churchill steals much of the limelight, but that Government brought together Atlee, Greenwood, Morrison and Bevin from the Labour party and Sinclair from the Liberals. All political parties can share in the achievement of the Government during the war.

The message we have sent out today is that we will not let the memory of what happened during the holocaust fade. We will go on confronting the evil of racism, because to do otherwise would be to betray the memory of the lives ripped away by the Nazi regime. Six million people: ask yourself, could there have been another Einstein or Kissinger among those 6 million? Whatever they would have gone on to be, 6 million individual lives were brought to an end because of the evil of racism, and that is what we are united in confronting. I thank all Members for attending the debate.

Question put and agreed to.

5.32 pm

Sitting adjourned.